

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MAY 23, 2025

NEW ISSUE—BOOK-ENTRY ONLY

**SENIOR BONDS RATING: Fitch: “BB+”
SUBORDINATE BONDS: NOT RATED
(See “RATING” herein)**

In the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, assuming compliance by the Issuer, the Borrower and the Manager with certain covenants, under existing statutes, regulations and judicial decisions, the interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See “TAX MATTERS” herein for a description of certain other tax consequences to holders of the Series 2025 Bonds.

\$212,700,000*

**PALM BEACH COUNTY, FLORIDA
REVENUE BONDS**

**(PROVIDENT GROUP - PBAU PROPERTIES II LLC -
PALM BEACH ATLANTIC UNIVERSITY PROJECT)
SENIOR SERIES 2025A**



\$23,100,000*

**PALM BEACH COUNTY, FLORIDA
REVENUE BONDS**

**(PROVIDENT GROUP - PBAU PROPERTIES II LLC -
PALM BEACH ATLANTIC UNIVERSITY PROJECT)
SUBORDINATE SERIES 2025B**

Dated: Date of Issuance

Due: October 1, as shown inside front cover

Palm Beach County, Florida (the “Issuer”) plans to issue its (i) Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project, Senior Series 2025A (the “Series 2025A Bonds”), and (ii) Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project, Subordinate Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”) to provide funds to: (a) finance the costs of the design, development, construction, and equipping of an approximately 990 bed student housing facility (the “Student Housing Facilities”); (b) finance the costs of the design, development, construction, and equipping of an approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility (collectively, the “Related Facilities” and, together with the Student Housing Facilities, the “Series 2025 Project”) to be located on the Palm Beach Atlantic University, Inc. (the “University”) campus in West Palm Beach, Florida; (c) fund capitalized interest on the Series 2025 Bonds; (d) fund the Debt Service Reserve Fund for the Series 2025 Bonds; and (e) pay the costs of issuing the Series 2025 Bonds. Additionally, the University will make a contribution with respect to the Series 2025 Project on the date of issuance of the Series 2025 Bonds (the “University Contribution”). The Series 2025 Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2025 (the “Indenture”), by and between the Issuer and Hancock Whitney Bank, as trustee (the “Trustee”). Proceeds of the Series 2025 Bonds will be loaned to Provident Group - PBAU Properties II LLC, a limited liability company organized and existing under the laws of the State of Florida (the “Borrower”) to finance the Series 2025 Project pursuant to a Loan Agreement, dated as of June 1, 2025, by and between the Issuer and the Borrower. The Series 2025 Project will be owned and operated the Borrower, the sole member of which is Provident Resources Group Inc., a Georgia nonprofit corporation (the “Corporation”) and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

The Series 2025 Bonds are secured by and payable from the Trust Estate (as defined herein), consisting of all property subject to the operation of the granting clauses of the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” herein. THE SERIES 2025B BONDS ARE SECURED BY AND PAYABLE FROM THE TRUST ESTATE ON A SUBORDINATE BASIS IN ALL RESPECTS TO THE LIEN ON SAID TRUST ESTATE SECURING THE SERIES 2025A BONDS.

THE SERIES 2025 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE UNIVERSITY, THE STATE OF FLORIDA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND REDEMPTION PRICE OF, AND PREMIUM, IF ANY, AND INTEREST ON (COLLECTIVELY, THE “DEBT SERVICE PAYMENTS”), THE SERIES 2025 BONDS. THE OWNERS OF THE SERIES 2025 BONDS SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE TO PAY THE SERIES 2025 BONDS, ANY PREMIUM THEREON, OR THE INTEREST THEREON. THE SERIES 2025 BONDS ARE PAYABLE SOLELY, EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2025 BONDS AND FROM TEMPORARY INVESTMENTS THEREOF, FROM A PLEDGE BY THE ISSUER OF MONEYS DERIVED FROM THE LOAN AGREEMENT BETWEEN THE ISSUER AND THE BORROWER, AND FROM PROPERTY PLEDGED BY THE BORROWER UNDER THE LEASEHOLD MORTGAGE AND ASSIGNMENT OF RENTS AND THE SECURITY AGREEMENT (BOTH AS DEFINED AND DESCRIBED HEREIN). SEE “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS.” ADDITIONALLY, THE BORROWER’S OBLIGATIONS WITH RESPECT TO THE SERIES 2025 BONDS ARE NON-RECOURSE. SEE “NON-RECOURSE OBLIGATION OF THE BORROWER” HEREIN.

THE SERIES 2025 BONDS ARE BEING OFFERED ONLY TO CERTAIN “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED AND MORE FULLY DESCRIBED HEREIN.

The Series 2025 Bonds will bear interest from the date of issuance and delivery thereof, payable semiannually on each April 1 and October 1, commencing October 1, 2025*. Principal and interest payments on the Series 2025 Bonds will be made by the Trustee, to the registered owners of the Series 2025 Bonds as of the close of business on the fifteenth day (whether or not a business day) of the month immediately preceding each Interest Payment Date.

The Series 2025 Bonds will be subject to prior mandatory, optional, and extraordinary redemption as described herein. See “THE SERIES 2025 BONDS” herein.

The Series 2025 Bonds will be issued as fully registered bonds and when issued 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”). Purchases of the Series 2025 Bonds will be made only in book-entry form and in authorized denominations of \$100,000 and any multiple of \$5,000 in excess thereof. DTC will act as securities depository for the Series 2025 Bonds and purchasers of the Series 2025 Bonds will not receive certificates evidencing their ownership interests therein. So long as Cede & Co. is the registered owner of the Series 2025 Bonds as nominee of DTC, references herein to the Owners of the Series 2025 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2025 Bonds. So long as Cede & Co. is the registered owner of the Series 2025 Bonds, the Debt Service Payments on the Series 2025 Bonds will be made to Cede & Co., as nominee for DTC, which will in turn remit such Debt Service Payments to the Direct Participants and Indirect Participants for subsequent disbursement to the beneficial owners. See “APPENDIX G—BOOK-ENTRY SYSTEM.”

SEE “CERTAIN BONDHOLDERS’ RISKS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2025 BONDS. EACH PROSPECTIVE PURCHASER SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2025 BONDS.

The Series 2025 Bonds are offered when, as, and if issued by the Issuer and received by the Underwriter and are subject to prior sale and the approval of legality by Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by the County Attorney for Palm Beach County, Florida; for the Borrower by Fishman Haygood, L.L.P., Baton Rouge, Louisiana and Bryant Miller Olive P.A., Orlando, Florida; for the University by its counsel, Jones Foster, West Palm Beach, Florida; and for the Underwriter by Kutak Rock LLP, Denver, Colorado. Stephens Inc. has served as financial advisor to the University with respect to the Series 2025 Bonds. Delivery of the Series 2025 Bonds to DTC in New York, New York is expected on or about June __, 2025.

J.P. Morgan

The date of this Limited Offering Memorandum is ____, 2025.

* Preliminary; subject to change.

PROJECT RENDERINGS AND VICINITY MAP*



* These exterior renderings are a depiction of the Series 2025 Project based on current development plans which are not guaranteed to occur as depicted, and therefore the Series 2025 Project as shown herein may be subject to change.



* These exterior renderings are a depiction of the Series 2025 Project based on current development plans which are not guaranteed to occur as depicted, and therefore the Series 2025 Project as shown herein may be subject to change.

\$212,700,000*
Palm Beach County, Florida Revenue Bonds
(Provident Group – PBAU Properties II LLC -
Palm Beach Atlantic University Project)
Senior Series 2025A

SENIOR SERIES 2025A BONDS MATURITY SCHEDULE

\$5,000,000* .__% Term Bonds due October 1, 2035*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$33,400,000* .__% Term Bonds due October 1, 2045*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$61,400,000* .__% Term Bonds due October 1, 2055*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$112,900,000* .__% Term Bonds due October 1, 2065*, Price __. __, Yield __. __%, CUSIP® 696547 ____

\$23,100,000*
Palm Beach County, Florida Revenue Bonds
(Provident Group – PBAU Properties II LLC -
Palm Beach Atlantic University Project)
Subordinate Series 2025B

SUBORDINATE SERIES 2025B BONDS MATURITY SCHEDULE

\$1,000,000* .__% Term Bonds due October 1, 2035*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$3,500,000* .__% Term Bonds due October 1, 2045*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$6,400,000* .__% Term Bonds due October 1, 2055*, Price __. __, Yield __. __%, CUSIP® 696547 ____
\$12,200,000* .__% Term Bonds due October 1, 2065*, Price __. __, Yield __. __%, CUSIP® 696547 ____

* Preliminary; subject to change.

© CUSIP is a registered trademark of the American Bankers Association (the “ABA”). CUSIP data is provided by CUSIP Global Services (“CGS”), which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Bonds only at the time of issuance of the Series 2025 Bonds, and neither the Issuer nor the Underwriter make any representation with respect to such CUSIP numbers or undertake any responsibility for the accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in part of the Series 2025 Bonds. Subsequent CUSIP numbers will be available from the Trustee.

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum does not constitute an offering of any security other than the original offering of the Series 2025 Bonds identified on the cover hereof. No dealer, broker, salesman, or other person has been authorized by the Issuer, the Underwriter, the Borrower, or the University to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and if given or made, such other information or representation must not be relied upon as having been given or authorized by any of the foregoing. The information set forth herein has been obtained from the Issuer, the Borrower, the University, and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. The delivery of this Limited Offering Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower, or the University since the date hereof.

The Issuer has not furnished or verified any information or statements contained in this Limited Offering Memorandum other than the information under the heading entitled “THE ISSUER,” under the subheading “LITIGATION—The Issuer,” and under the heading “DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS” (the “Issuer Information”) and is not responsible for the sufficiency, completeness, or accuracy of any information or statements contained in this Limited Offering Memorandum other than the Issuer Information.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, their responsibilities to prospective purchasers of the Series 2025 Bonds under the federal securities laws as applied to the facts and circumstances of the offering made hereby, but the Underwriter does not guarantee the accuracy or completeness of such information.

Upon issuance, the Series 2025 Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or the securities law of any state, and will not be listed on any stock or other securities exchange. The Series 2025 Bonds have not been approved or disapproved by the Securities and Exchange Commission (the “SEC”), any stock or other securities exchange, or any agency of any state in which that may be offered. Neither the SEC nor any such stock or other securities exchange or state agency has guaranteed or passed on the safety of the Series 2025 Bonds as an investment, upon the probability of any earnings thereon, or upon the accuracy or adequacy of this Limited Offering Memorandum. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of, the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Series 2025 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2025 Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering price stated on the cover page hereof and said public offering price may be changed from time to time by the Underwriter.

The Series 2025 Bonds will not be listed on a securities exchange or inter-dealer quotation system. Although the Underwriter currently intends to make a market for the Series 2025 Bonds, the Underwriter is not obligated to purchase any of the Series 2025 Bonds in the future, and such market making may be discontinued at any time. There can be no assurance that there will be a secondary market for the Series 2025 Bonds, and the absence of such a market for the Series 2025 Bonds could result in investors not being able to resell their Series 2025 Bonds should they need or wish to do so.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE BORROWER, THE UNIVERSITY AND THE TERMS OF

THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY ISSUER. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

FORWARD LOOKING STATEMENTS

If and when included in this Limited Offering Memorandum or in documents incorporated herein by reference, the words “expects,” “intends,” “anticipates,” and “estimates” and analogous expressions are intended to identify “forward looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. Any such statements, which may include statements contained in “THE SERIES 2025 PROJECT,” “CERTAIN BONDHOLDERS’ RISKS,” “MARKET STUDY,” and “CASH FLOW PROJECTION” inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Such risks and uncertainties include, among others, general economic and business conditions; competition; changes in political, social, and economic conditions; regulatory initiatives and compliance with governmental regulations; discovery of previously unknown conditions; and various other events, conditions, and circumstances. These forward looking statements speak only as of the date of this Limited Offering Memorandum. The Underwriter and the Borrower expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained in this Limited Offering Memorandum to reflect any change in their expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based. The Issuer and the Borrower make no representations regarding any such expectations as of the date hereof or any date in the future.

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. THEREFORE, INVESTORS SHOULD BE AWARE THAT THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORWARD LOOKING STATEMENTS AND ACTUAL RESULTS, AND THOSE DIFFERENCES COULD BE MATERIAL. NEITHER THE ISSUER NOR THE BORROWER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

NOTICE TO INVESTORS

The Series 2025 Bonds will be issued in minimum denominations of \$100,000 and any multiple of \$5,000 in excess thereof. The Series 2025 Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

The Series 2025 Bonds are to be offered and sold (including in secondary market transactions) only to “Qualified Institutional Buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. Each purchaser of Series 2025 Bonds, by its acceptance thereof, will be deemed to have represented and agreed as follows:

- (a) it is an institutional purchaser that is a Qualified Institutional Buyer or, if it is buying for an account for which it is acting as fiduciary or agent, such account is a Qualified Institutional Buyer;

(b) it is acquiring the Series 2025 Bonds for its own account or for not more than one account for which it is acting as fiduciary or agent in a minimum amount of not less than \$100,000, without a view to any sale or distribution thereof, and has acknowledged on its own behalf or on behalf of any such account for which it is purchasing the Series 2025 Bonds and that the authorized denomination of the Series 2025 Bonds will be \$100,000 or any integral multiple of \$5,000 in excess thereof; and

(c) it has been provided with access to such financial and other information as it has requested in connection with its decision to purchase any Series 2025 Bonds.

Each purchaser will be required to execute an investor letter in the form attached as Appendix J and there can be no more than 35 purchasers.

This Limited Offering Memorandum has been deemed final by the Borrower for purposes of Securities Exchange Act Rule 15c2-12(b)(3).

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED IN THE ACT. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Limited Offering Memorandum and the Appendices hereto (collectively, the “Limited Offering Memorandum”). The offering of the Series 2025 Bonds to prospective purchasers is made only by means of this entire Limited Offering Memorandum, and no person is authorized to detach this Summary Statement from the Limited Offering Memorandum or to use it otherwise without the entire Limited Offering Memorandum.

All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein shall have the meanings ascribed thereto under “APPENDIX E—THE LOAN AGREEMENT” or under “APPENDIX F—THE TRUST INDENTURE” hereto.

The Issuer Palm Beach County, Florida (the “Issuer”) is a political subdivision of the State of Florida (the “State”) and is authorized pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions, and limitations of the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, and other applicable provisions of law, and as the same may be from time to time supplemented and amended, to issue revenue bonds repayable solely from revenues derived from the sale, operation, or leasing of an “educational facility,” as defined in the Section 159.27(22)(a), Florida Statutes.

The Borrower Provident Group – PBAU Properties II LLC (the “Borrower”) is a limited liability company duly organized and existing under the laws of the State of Florida. The sole member of the Borrower is Provident Resources Group Inc. (the “Corporation”), a nonprofit corporation organized and existing under the laws of the State of Georgia. The proceeds of the Series 2025 Bonds (hereinafter defined) will be loaned by the Issuer to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) dated as of June 1, 2025 between the Issuer and the Borrower to finance the costs of the Series 2025 Project. A form of the Loan Agreement is attached as Appendix E. The Borrower has no assets and is not expected to have any assets other than the Series 2025 Project. See “THE BORROWER” herein.

The Corporation is an exempt organization under §501(c)(3) of the Internal Revenue Code of 1986, as amended. See “THE BORROWER” herein. The Corporation will have no obligation with respect to the hereinafter described Series 2025 Bonds or under the hereinafter described Ground Lease, Loan Agreement, Leasehold Mortgage, Security Agreement, Assignment of Contracts and Agreements or Indenture.

The Series 2025 Bonds..... The Issuer will issue its \$235,800,000* aggregate principal amount of revenue bonds to be designated as the \$212,700,000* Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Senior Series 2025

* Preliminary; subject to change.

(the “Series 2025A Bonds”) and the \$23,100,000* Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Subordinate Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”) for the purpose of providing funds to: (a) finance the costs of the design, development, construction, and equipping of an approximately 990 bed student housing facility (the “Student Housing Facilities”); (b) finance the costs of the design, development, construction, and equipping of an approximately 28,000 square foot dining facility, approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility (collectively, the “Related Facilities” and, together with the Student Housing Facilities, the “Series 2025 Project”) to be located on the Palm Beach Atlantic University, Inc. (the “University”) campus in Palm Beach, Florida; (c) fund capitalized interest on the Series 2025 Bonds; (d) fund the Debt Service Reserve Fund for the Series 2025 Bonds; and (e) finance the costs of issuing the Series 2025 Bonds. Additionally, the University will make a contribution with respect to the Series 2025 Project on the date of issuance of the Series 2025 Bonds (the “University Contribution”). The Series 2025 Bonds will be issued pursuant to a Trust Indenture, a form of which is attached as Appendix F.

Offering and Delivery of the Series 2025 Bonds	The Series 2025 Bonds are offered when, as, and if issued, subject to approval as to their legality by Bond Counsel and the satisfaction of certain other conditions. It is anticipated that the Series 2025 Bonds will be issued and available for delivery in book entry form through The Depository Trust Company on or about June __, 2025. See “APPENDIX G—BOOK-ENTRY SYSTEM” hereto. The Series 2025 Bonds will be purchased from the Issuer by J.P. Morgan Securities LLC (the “Underwriter”), pursuant to a negotiated bond purchase agreement between the parties. See “UNDERWRITING.”
The Trustee	Hancock Whitney Bank will act as trustee, bond registrar, and paying agent for the Series 2025 Bonds.
The University	The University is a Florida nonprofit corporation, exempt from federal income taxation as a charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The University operates a private coeducational institution of higher learning, located in downtown West Palm Beach, Florida with a business address of 901 South Flagler Drive (the “Campus”). See “THE UNIVERSITY” and “APPENDIX A—PALM BEACH ATLANTIC UNIVERSITY, INC.” herein for information about the University.

* Preliminary; subject to change.

The Series 2025 Project The Series 2025 Project will consist of the design, development, construction and equipping of an approximately 990 bed student housing facility and the design, development, construction, and equipping of an approximately 28,000 square foot dining facility, approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility. The Student Housing Facilities will initially be managed by the University and the Related Facilities will initially be managed by the University. See “THE MANAGER AND THE MANAGEMENT AGREEMENT” herein. The site on which the Series 2025 Project will be constructed (the “Property”) is located on the Campus and will be leased to the Borrower pursuant to a Ground Lease Agreement (the “Ground Lease”) to be dated on or before the date of issuance of the Series 2025 Bonds, between the University, as landlord, and the Borrower, as tenant. See “THE SERIES 2025 PROJECT” herein.

The Developer The Borrower has engaged PBAU DevCo LLC, a Florida limited liability company (the “Developer”), to provide services in connection with the development of the Series 2025 Project. Gilbane Development Company, a Rhode Island corporation (“GDC”) is a majority owner of the Developer. GDC is the real estate development, investment, and property management arm of Gilbane, Inc. Gilbane, Inc. was founded in 1870 and is one of the largest privately held, family-owned construction and real estate development firms in the industry. GDC has developed a wide range of real estate projects across multiple markets throughout the United States, including multifamily (affordable, student housing, market rate), residential communities, mix-used developments, garage/parking areas, corporate headquarters, healthcare facilities, research and development and manufacturing facilities, and many types of facilities delivered through public-private partnerships. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT” herein.

The Borrower will enter into a Turnkey Development Agreement (the “Development Agreement”), to be dated on or before the date of issuance of the Series 2025 Bonds, with the Developer, setting forth the terms and conditions of the design, development, and construction of the Series 2025 Project. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT” herein.

The Design-Builder and the Construction Monitor..... Gilbane Building Company, a Rhode Island corporation (the “Design-Builder”) will be responsible for the construction of the Series 2025 Project. The Design-Builder will enter into an AIA Document A141 – 2014 Standard Form of Agreement Between Developer and Design-Builder (the “Design-Build Agreement”), to be dated on or before the date of issuance of the Series 2025 Bonds, pursuant to which the Design-Builder will assist Developer with providing all of the architectural, engineering, design and construction services for the Series 2025 Project. See “THE DESIGN-BUILDER” and “THE

DEVELOPER AND THE DEVELOPMENT AGREEMENT—
Design-Build Agreement” herein.

The Vertex Companies, LLC (the “Construction Monitor”) has been engaged pursuant to Development Agreement and will provide certain consulting and management services in connection with the construction of the Series 2025 Project. See “THE CONSTRUCTION MONITOR” herein.

The Manager The Student Housing Facilities will initially be managed by the University (in such capacity, the “Manager”) pursuant to a Residential Management Agreement (the “Management Agreement”), to be dated as of the date of issuance of the Series 2025 Bonds, by and between the Borrower and the University, as Manager (the “Manager”). The Related Facilities will also be managed by the University. See “THE MANAGER AND THE MANAGEMENT AGREEMENT” herein.

The Ground Lease Pursuant to the Ground Lease, the University will lease the Property to the Borrower, for a term of 40 years. The annual rent payable under the Ground Lease will be equal to the surplus cash available for such purpose from moneys on deposit in the Surplus Fund created under the Trust Indenture (the “Indenture”) dated as of June 1, 2025, by and between the Issuer and the Trustee. See “THE GROUND LEASE” herein and see Article V of the “APPENDIX F—TRUST INDENTURE” hereto for a more detailed description of the amounts to be deposited, from time to time, in the Surplus Fund. The Borrower will agree in the Ground Lease, among other things, to acquire, construct, furnish and equip the Series 2025 Project in accordance with the plans and specifications therefor approved by the University, to cause the Developer and/or Design-Builder to maintain insurance against certain risks, to deliver performance and labor and material payment bonds with respect to certain construction contracts, to utilize subcontractor default insurance, and to maintain or cause to be maintained the Series 2025 Project in good repair and operating condition. See “THE GROUND LEASE” herein.

The Sublease..... Pursuant to a Premises Sublease to be dated as of the issuance of the Series 2025 Bonds (the “Sublease”), the Borrower, will sublease the Related Facilities to the University, for a term beginning on the commencement date of the Sublease through the day before the last day of the term of the Ground Lease. Payments of Base Rent (as defined in the Sublease) to be received by the Borrower pursuant to the Sublease will be deposited directly by the University with the Trustee as a credit against, and as a source of repayment for, the Borrower’s obligation to make Loan Payments (as defined in the Indenture) pursuant to the Loan Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS—the Sublease Lease Payments” and “THE SUBLEASE” herein.

Security for the Bondholders. To secure the Borrower’s obligations to the Issuer under Loan Agreement and the Series 2025 Notes (hereinafter defined), the

Borrower will execute and deliver to the Trustee (a) a Leasehold Mortgage and Assignment of Rents and Leases (the “Leasehold Mortgage”) dated as of June 1, 2025, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first mortgage lien on its leasehold interest in the real Property included in the Series 2025 Project and any additional project acquired, constructed, furnished and equipped with the proceeds of additional bonds issued under the Indenture (collectively, the “Project”) and will grant to the Trustee a first priority security interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Project; (b) a Security Agreement (the “Security Agreement”) to be dated on or before the date of issuance of the Series 2025 Bonds, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Pledged Revenues, the accounts, documents, chattel paper, instruments and general intangibles arising in any manner from the Borrower’s ownership or operation of the Project, the inventory located at the Project, and the equipment, furnishings and other tangible personal property included in the Project; and (c) an Assignment of Contracts and Agreements (the “Assignment of Contracts and Agreements”) to be dated on or before the date of issuance of the Series 2025 Bonds, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in its rights under: (i) the Development Agreement pursuant to which the Developer will agree to develop the Series 2025 Project; (ii) the Design-Build Agreement pursuant to which the Design-Builder will assist Developer with providing all of the architectural, engineering, design and construction services for the Series 2025 Project; (iii) the AIA Document B143-2014 Standard Form of Agreement to be dated on or before the date of issuance of the Series 2025 Bonds between Cube 3 Studio LLC, a Massachusetts limited liability company (the “Architect”) and the Design-Builder (the “Architect’s Agreement”); and (iv) the Sublease, all pursuant to the Assignment of Contracts and Agreements and all other contracts and agreements relating to the development, design or construction of the Series 2025 Project. As security for its obligations under the Series 2025 Bonds, the Issuer will enter into the Indenture with the Trustee. Pursuant to the Indenture, the Issuer will grant to the Trustee a first priority security interest in the Loan Agreement, the Series 2025 Notes, all property described therein, all amounts to be received thereunder, and all property to be held thereunder (except for Unassigned Rights as defined in the Indenture). The amount of \$15,144,125*, equal to the Senior Debt Service Reserve Requirement (hereinafter defined) for the Series 2025A Bonds, will be deposited in the 2025 Senior Account of the Debt Service Reserve Fund created under the Indenture (the “Debt Service Reserve Fund”) and the amount of \$1,713,500*, equal to the Subordinate Debt Service Reserve Requirement (hereinafter defined) for the Series 2025B Bonds, will be deposited in the 2025 Subordinate Account of the Debt Service Reserve Fund, each of which will be used

* Preliminary; subject to change.

to pay the Debt Service Payments on the Series 2025A Bonds and the Series 2025B Bonds, respectively, if insufficient funds are on deposit with the Trustee on the date such payments are due. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” and “CERTAIN BONDHOLDERS’ RISKS” herein. See also the forms of the Loan Agreement and the Trust Indenture attached as Appendices E and F, respectively.

Market Study Attached hereto as Appendix C is the Student Housing Feasibility Assessment (the “Market Study”) dated June 2024, as updated March 2025, prepared by Scion Advisory Services (“SCION”), on behalf of the Developer. The conclusions and findings contained in the Market Study are based upon assumptions about the outcome of future events. There can be no assurance that such projections will approximate actual results, and there is no assurance that such projections will be achieved. See “APPENDIX C—MARKET STUDY” attached hereto and “MARKET STUDY” and “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ From Market Study and Cash Flow Projection” and “—Forward Looking Statements” herein. For discussion of the assumptions and methodology used in arriving at the conclusions and findings, see the Market Study which should be read in its entirety. SCION has consented to the use of the Market Study in this Limited Offering Memorandum.

Cash Flow Projection Attached hereto as Appendix D is a Cash Flow Projection (the “Cash Flow Projection”) relating to the Series 2025 Project’s ability to generate revenues from the operations sufficient to pay principal of and interest on the Series 2025 Bonds for each of the calendar years ending June 30, 2028 through 2066. The Cash Flow Projection has been prepared by the Underwriter based on operating budgets developed with the University. None of the Issuer, the University, or the Borrower, makes any representations with respect to the Cash Flow Projection. See “CASH FLOW PROJECTION” and “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ From Market Study and Cash Flow Projection” and “—Forward Looking Statements” herein.

Certain Bondholders’ Risks... There are certain considerations relating to an investment in the Series 2025 Bonds that are set forth in the sections of this Limited Offering Memorandum, including the heading “CERTAIN BONDHOLDERS’ RISKS,” and that should be carefully reviewed and considered by prospective purchasers of the Series 2025 Bonds.

Tax Status of Interest In the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, assuming continuing compliance by the Issuer, the Borrower and the Manager with certain covenants, under existing statutes, regulations and judicial decisions, the interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series

2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See “TAX MATTERS” herein for a description of certain other tax consequences to holders of the Series 2025 Bonds.

Continuing Disclosure The Borrower will agree to provide such information as may be required by the provisions of Rule 15c2-12 (“Rule 15c2-12”) of the Securities and Exchange Commission. The Issuer will not undertake any responsibility with respect to continuing disclosure under Rule 15c2-12. See CONTINUING DISCLOSURE” herein and “APPENDIX I—FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto.

General/Additional Information This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change. Copies of the Limited Offering Memorandum in final form will be provided to the Municipal Securities Rulemaking Board for availability to the public on its Electronic Municipal Market Access web site known as EMMA. Copies of the Limited Offering Memorandum and other relevant documents and information regarding the documents are available upon request from the Underwriter prior to the issuance and delivery of the Series 2025 Bonds and from the Trustee after the issuance and delivery of the Series 2025 Bonds. The Limited Offering Memorandum, including the cover page and the attached Appendices, contains specific information relating to the Series 2025 Bonds, the Issuer, the University and the Borrower and other information pertinent to the bonds described herein.

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LIMITED OFFERING MEMORANDUM

\$212,700,000*
PALM BEACH COUNTY, FLORIDA
REVENUE BONDS
(PROVIDENT GROUP - PBAU PROPERTIES II LLC -
PALM BEACH ATLANTIC UNIVERSITY PROJECT)
SENIOR SERIES 2025A

\$23,100,000*
PALM BEACH COUNTY, FLORIDA
REVENUE BONDS
(PROVIDENT GROUP - PBAU PROPERTIES II LLC -
PALM BEACH ATLANTIC UNIVERSITY PROJECT)
SUBORDINATE SERIES 2025B

INTRODUCTORY STATEMENT

This Limited Offering Memorandum, including the cover page and the Appendices hereto, furnishes certain information in connection with the sale by Palm Beach County, Florida (the “Issuer”) of \$235,800,000* in aggregate principal amount of its \$212,700,000* Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Senior Series 2025A (the “Series 2025A Bonds”) and its \$23,100,000* Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Subordinate Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”) to be issued by the Issuer pursuant to a Trust Indenture (the “Indenture”) dated as of June 1, 2025, between the Issuer and Hancock Whitney Bank, as trustee (the “Trustee”) for the purpose of providing funds to (a) finance the costs of the design, development, construction, and equipping of an approximately 990 bed student housing facility (the “Student Housing Facilities”); (b) finance the costs of the design, development, construction, and equipping of an approximately 28,000 square foot dining facility, approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility (collectively, the “Related Facilities” and, together with the Student Housing Facilities, the “Series 2025 Project”) to be located on the Palm Beach Atlantic University, Inc. (the “University”) campus in West Palm Beach, Florida; (c) fund capitalized interest on the Series 2025 Bonds; (d) fund the Debt Service Reserve Fund for the Series 2025 Bonds; and (e) pay the costs of issuing the Series 2025 Bonds. All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein shall have the meanings ascribed thereto under “APPENDIX E—THE LOAN AGREEMENT” or under “APPENDIX F—THE TRUST INDENTURE” hereto. The Series 2025A Bonds are Senior Bonds under the Indenture and the Series 2025B Bonds are Subordinate Bonds under the Indenture. This Limited Offering Memorandum is deemed to be final as of its date, within the meaning of Rule 15c2-12(b)(1) of the Securities Exchange Commission (the “SEC”), except for the omission of the offering prices, interest rates, selling compensation, aggregate principal amount and delivery date of relating to the Series 2025 Bonds.

The site on which the Series 2025 Project will be constructed (the “Property”) will be leased to the Borrower pursuant to a Ground Lease Agreement (the “Ground Lease”) to be dated on or before the date of issuance of the Series 2025 Bonds, between the University, as landlord (the “Ground Lessor” or the “University”), and the Borrower, as tenant. The Borrower will then sublease the Related Facilities to the University pursuant to the Sublease Agreement to be dated the date of issuance of the Series 2025 Bonds, between the Borrower and the Board (the “Sublease”). Payments of Base Rent (as defined in the Sublease) to be received by the Borrower pursuant to the Sublease will be deposited as a credit against, and as a source of repayment, for the Borrower’s obligation to make Loan Payments (as defined in the Loan Agreement) pursuant to the Loan Agreement. The schedule of Base Rent payments is set forth on Schedule 1 to the Sublease. Additionally, pursuant to the Sublease, the University will be obligated to make an equity contribution of \$9,000,000, which will be paid directly to the Trustee on the date of issuance of the Series 2025 Bonds for deposit into the Construction Fund. See “ESTIMATED SOURCES AND USES OF FUNDS” and “THE SUBLEASE—University Contribution” herein.

* Preliminary; subject to change.

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”) dated as of June 1, 2025, between the Issuer and the Borrower. The Borrower will be obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal and redemption price of, and premium, if any, and interest on (collectively, the “Debt Service Payments”), the Series 2025 Bonds as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Borrower to pay all expenses of operating and maintaining the Series 2025 Project in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Series 2025 Project. To evidence the obligation to make loan payments sufficient to pay the Debt Service Payments on the Series 2025 Bonds, the Borrower will execute and deliver to the Issuer its promissory note in the principal amount of \$212,700,000* dated as of June 1, 2025 (the “Series 2025A Promissory Note”) and its promissory note in the principal amount of \$23,100,000* dated as of June 1, 2025 (the “Series 2025B Promissory Note” and, together with the Series 2025A Promissory Note, the “Series 2025 Notes”), and the Issuer will endorse the Series 2025 Notes to the order of the Trustee.

The obligations of the Borrower to the Issuer under the Loan Agreement and the Series 2025 Notes will be secured by: (a) a Leasehold Mortgage and Assignment of Rents and Leases (the “Leasehold Mortgage”) dated as of June 1, 2025, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first mortgage lien on its leasehold interest in the real Property included in the Series 2025 Project and any additional project acquired, constructed, furnished and equipped with the proceeds of additional bonds issued under the Indenture (collectively, the “Project”) and will grant to the Trustee a first priority security interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Project; (b) a Security Agreement (the “Security Agreement”) to be dated on or before the date of issuance of the Series 2025 Bonds, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Pledged Revenues, the accounts, documents, chattel paper, instruments and general intangibles arising in any manner from the Borrower’s ownership or operation of the Project, the inventory located at the Project, and the equipment, furnishings and other tangible personal property included in the Project; and (c) an Assignment of Contracts and Agreements (the “Assignment of Contracts and Agreements”) to be dated on or before the date of issuance of the Series 2025 Bonds, pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in its rights under: (i) the Turnkey Development Agreement (the “Development Agreement”), to be dated on or before the date of issuance of the Series 2025 Bonds, between the Developer and the Borrower pursuant to which the Developer will agree to develop the Series 2025 Project; (ii) the AIA Document A141 – 2014 Standard Form of Agreement Between Developer and Design-Builder, to be dated on or before the date of issuance of the Series 2025 Bonds (the “Design-Build Agreement”), pursuant to which the Design-Builder will assist Developer with providing all of the architectural, engineering, design and construction services for the Series 2025 Project; (iii) the AIA Document B143-2014 Standard Form of Agreement to be dated on or before the date of issuance of the Series 2025 Bonds between Cube 3 Studio LLC, a Massachusetts limited liability company (the “Architect”) and the Design-Builder (the “Architect’s Agreement”); and (iv) the Sublease, all pursuant to Assignment of Contracts and Agreements and all other contracts and agreements relating to the development, design or construction of the Series 2025 Project.

As security for the obligations of the Developer to the Borrower under the Development Agreement, the Developer will execute and deliver to the Borrower the Developer’s Assignment pursuant to which the Developer will collaterally assign to the Borrower all of its right, title, and interest in and to the Development Documents (as defined in the Developer’s Assignment), including without limitation, the Design-Build Agreement, and all other contracts and/or agreements (whether entered into on or before the date hereof or hereafter) between the Developer or the Design-Builder and any person or firm rendering

* Preliminary; subject to change.

services or supplying material in connection with the development, design, or construction of the Series 2025 Project. Additionally, in order to secure its obligations to the Developer under the Design-Build Agreement, the Design-Builder will execute and deliver to the Developer a Design-Builder's Assignment to which it has collaterally assigned to the Developer all of its right, title, and interest in and to all contracts and/or agreements between the Design-Builder and any person or firm rendering services or supplying material in connection with the design or construction of the Series 2025 Project.

The Issuer, pursuant to the Indenture, will grant a first priority security interest in its right, title, and interest in and to the Loan Agreement (except for Unassigned Rights as hereinafter defined) and the Series 2025 Notes to the Trustee which, on behalf of the owners of the Series 2025 Bonds, will exercise all of the Issuer's rights thereunder (except for Unassigned Rights). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" and "CERTAIN BONDHOLDERS' RISKS" herein. See also the forms of the Loan Agreement and the Trust Indenture attached as Appendices E and F, respectively.

The obligations of the Borrower under the Loan Agreement, the Series 2025 Notes, the Ground Lease, the Sublease, the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements will be non-recourse to the Borrower, and any judgment in any action or proceeding under such documents will be enforceable against the Borrower only to the extent of the Borrower's interest in the Series 2025 Project and the other Security. See "NON-RECOURSE OBLIGATION OF THE BORROWER" herein.

The University will agree pursuant to the Ground Lease to treat the Series 2025 Project as part of its student housing program on a basis that is materially the same as its treatment of other University student housing facilities. See "THE GROUND LEASE" herein for further agreements of the University with respect to the Series 2025 Project.

THE SERIES 2025B BONDS ARE SECURED BY AND PAYABLE FROM THE TRUST ESTATE ON A SUBORDINATE BASIS IN ALL RESPECTS TO THE LIEN ON THE TRUST ESTATE SECURING THE SERIES 2025A BONDS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

EACH INITIAL PURCHASER OF THE SERIES 2025 BONDS SHALL BE A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A AS PROMULGATED UNDER THE SECURITIES ACT OF 1933 (A "QUALIFIED INSTITUTIONAL BUYER"). ON ISSUANCE AND DELIVERY OF THE SERIES 2025 BONDS, THE INITIAL PURCHASERS THEREOF MUST EXECUTE A LETTER IN FORM OF APPENDIX J "FORM OF INVESTOR LETTER." THEREAFTER, THE SERIES 2025 BONDS AND ANY BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2025 BONDS MAY ONLY BE SOLD OR TRANSFERRED BY THE BENEFICIAL OWNER THEREOF IN AUTHORIZED DENOMINATIONS TO QUALIFIED INSTITUTIONAL BUYERS.

This Limited Offering Memorandum and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Borrower, the University, the Series 2025 Project, the Developer, the Design-Builder, the Series 2025 Bonds, the Loan Agreement, the Ground Lease, the Sublease, the Management Agreement and the Indenture. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Loan Agreement, the Series 2025 Notes, the Ground Lease, the Sublease, the Leasehold Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, the Developer's Assignment, the Design-Build Agreement, the Bond Purchase Agreement, the Development Agreement, the Management Agreement, the Continuing Disclosure Agreement, the Indenture and UCC-1 financing statements filed by the Borrower and the Issuer with respect to the Series 2025 Bonds (collectively, the "Bond Documents") are qualified in their entirety by reference to such documents, and references herein to the Series 2025 Bonds are qualified in their entirety to the form thereof included in the Indenture. The proposed form of opinion of Bond Counsel is attached hereto as Appendix H. The proposed form of Continuing Disclosure Agreement is attached hereto as Appendix I.

ESTIMATED SOURCES AND USES OF FUNDS*

The schedule below contains the estimated sources and uses of funds resulting from the sale of the Series 2025 Bonds, and the amounts contributed by the University as the University Contribution:

Sources of Funds:

Par Amount of Series 2025A Bonds*	\$212,700,000
Par Amount of Series 2025B Bonds*	23,100,000
[Net Original Issue Premium/Discount]	
University Contribution ¹	

Total Sources of Funds	\$

Uses of Funds:

Deposit to the Construction Fund ¹	\$
Deposit to the Capitalized Interest Account of the Bond Fund ²	
2025A Subaccount	
2025B Subaccount	
Deposit to Debt Service Reserve Fund	
2025 Senior Account ³	
2025 Subordinate Account ⁴	
Issuance Costs ⁵	

Total Uses of Funds	\$

¹ On the date of issuance of the Series 2025 Bonds, the University will make an equity contribution in the amount of \$9,000,000 with respect to the Series 2025 Project, as further described herein and in the Sublease. See “THE SUBLEASE—University Contribution” herein.

² The deposits into the 2025A Subaccount and 2025B Subaccount of the Capitalized Interest Account of the Bond Fund are anticipated to pay interest payments on the Series 2025A Bonds and Series 2025B Bonds, respectively, through and including April 1, 2028*.

³ Equal to the Senior Debt Service Reserve Requirement for the Series 2025A Bonds.

⁴ Equal to the Subordinate Debt Service Reserve Requirement for the Series 2025B Bonds.

⁵ Includes amounts to be paid for Trustee fees, fees of the Rating Agency, legal counsel fees, printing costs and other fees and expenses, including the Underwriter’s Discount.

THE ISSUER

The Issuer is a political subdivision of the State of Florida.

Pursuant to the provisions of the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes (collectively, the “Act”) and by a Resolution of the Issuer adopted on April 8, 2025, the Issuer is authorized and empowered to issue the Series 2025 Bonds, to loan the proceeds thereof to the Borrower and to secure the Series 2025 Bonds by a pledge of the amounts payable by the Borrower to the Trustee pursuant to the Loan Agreement.

The Series 2025 Bonds and the obligation to pay the principal thereof and interest thereon and any redemption premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the Issuer, the University, the State of Florida (the “State”) or any political subdivision thereof, within the purview of any constitutional limitation or statutory provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely

* Preliminary; subject to change.

from the revenues and income derived by the Borrower, which revenues and income have been pledged and assigned to the Bond Trustee under the Loan Agreement to secure payment thereof.

NO OWNER OF THE SERIES 2025 BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, INTEREST ON, OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2025 BONDS.

The Issuer neither has nor assumes any responsibility as to the accuracy or completeness of the information contained in this Limited Offering Memorandum, other than that appearing under the captions “INTRODUCTORY STATEMENT” (insofar as it relates to the Issuer), “THE ISSUER” and “LITIGATION — The Issuer.” The Issuer is not responsible for providing any purchaser of the Series 2025 Bonds with any information relating to the Series 2025 Bonds or any of the parties or transactions referred to in this Limited Offering Memorandum or for the accuracy or completeness of any such information obtained by any purchaser.

The Issuer, in the case of the Series 2025 Bonds, is merely a conduit for payment, in that the Series 2025 Bonds do not constitute a general debt, liability, or obligation of the Issuer, but are instead secured by and payable solely from payments of the Borrower under the Loan Agreement and by other security discussed herein. The Series 2025 Bonds are not being offered on the basis of the financial strength of the Issuer. The Issuer believes, therefore, that disclosure of any default related to a financing not involving the Borrower or any person or entity related to the Borrower would not be material to a reasonable investor. The Issuer has not taken affirmative steps to contact the various trustees of other conduit bond issues of the Issuer to determine the extent of prior defaults, if any.

THE SERIES 2025 PROJECT

The Series 2025 Project will consist of the design, development, construction, and equipping of an approximately 990 bed student housing facility (the “Student Housing Facilities”) and the costs of the design, development, construction, and equipping of an approximately 28,000 square foot dining facility, approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility (collectively, the “Related Facilities” and, together with the Student Housing Facilities, the “Series 2025 Project”). Currently, students attending the University are required to live on Campus, unless they are living at home with their parents, are married, or are aged 22 years as of August 1 for the upcoming academic year. Current housing stock does not meet the demands of students attending the University and as a result, the University has to master lease beds off campus. This has a negative impact on the recruitment and retention of students at the University. Upon completion of the Series 2025 Project, the University will be able to accommodate the current and rising demand of incoming and matriculating students. Additionally, the University would no longer have to master lease beds in an effort to mitigate the deficit of beds available to students attending the University. See “APPENDIX A— PALM BEACH ATLANTIC UNIVERSITY, INC.” attached hereto.

The Student Housing Facilities will initially be managed by the University, as manager, pursuant to a pursuant to the Residential Management Agreement (the “Management Agreement”), to be dated on or before the date of issuance of the Series 2025 Bonds, by and between the Borrower and the University, as Manager (the “Manager”), and the Related Facilities will initially be managed by the University. See “THE MANAGER AND THE MANAGEMENT AGREEMENT” herein. The Property will be leased to the Borrower pursuant to the Ground Lease. The Related Facilities will be subleased back to the University pursuant to the Sublease. See “THE GROUND LEASE” and “THE SUBLEASE” herein. Additionally, upon completion of the dining component of the Related Facilities, Aramark Educational Services, LLC (“Aramark”) will be responsible for, amongst other things, the purchase and installation of food service

equipment related to the dining component of the Related Facilities. See “THE MANAGER AND THE MANAGEMENT AGREEMENT—Management of the Related Facilities—*Aramark Contract*” herein.

THE SERIES 2025 BONDS

General Description

The Series 2025A Bonds will be issued in the aggregate principal amount of \$212,700,000*, will be dated the date of issuance of the Series 2025 Bonds, and will mature on October 1 of the years 2035*, 2045*, 2055* and 2065*, subject to redemption as discussed herein. The Series 2025B Bonds will be issued in the aggregate principal amount of \$23,100,000*, will be dated the date of issuance of the Series 2025 Bonds, and will mature on October 1 of the years 2035*, 2045*, 2055* and 2065*, subject to redemption as discussed herein. The Series 2025 Bonds will bear interest at the rates and will be sold at prices to bear the yields shown on the inside cover page of this Limited Offering Memorandum. Interest on the Series 2025 Bonds will be payable commencing on October 1, 2025*, and semi-annually thereafter on April 1 and October 1 (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 2025 Bond, unless such Series 2025 Bond is registered and authenticated as of an Interest Payment Date, in which event, it will bear interest from said Interest Payment Date, or unless such Series 2025 Bond is registered and authenticated prior to October 1, 2025, in which event, such Series 2025 Bond will bear interest from the date of issuance of the Series 2025 Bonds, or unless, as shown by the records of the Trustee, interest on the Series 2025 Bonds shall be in default, in which event such Series 2025 Bond will bear interest from the date to which interest shall have been paid in full on such Series 2025 Bond, or unless no interest shall have been paid on the Series 2025 Bonds, in which event such Series 2025 Bond will bear interest from the date of issuance of the Series 2025 Bonds.

Interest on the Series 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2025 Bonds will be issued as fully registered bonds without coupons in the denominations of \$100,000 and any multiple of \$5,000 in excess thereof (the “Authorized Denominations”).

The Series 2025 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 2025 Bonds and purchasers of the Series 2025 Bonds will not receive certificates evidencing their ownership interests therein. So long as Cede & Co. is the registered owner of the Series 2025 Bonds as nominee of DTC, references herein to the Owners of the Series 2025 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2025 Bonds. So long as Cede & Co. is the registered owner of the Series 2025 Bonds, the Debt Service Payments on the Series 2025 Bonds will be made to Cede & Co., as nominee for DTC, which will in turn remit such Debt Service Payments to the Direct Participants and Indirect Participants for subsequent disbursement to the beneficial owners. See “APPENDIX G—BOOK-ENTRY SYSTEM” attached hereto.

Registration Provisions; Exchange; Replacement

The Series 2025 Bonds will be and will have all the qualities and incidents of negotiable instruments under the laws of the State, and the Bondholders, in accepting any of the Series 2025 Bonds, will be conclusively deemed to have agreed that the Series 2025 Bonds will be and have all of said qualities and incidents of negotiable instruments. **The Series 2025 Bonds shall initially be sold to “Qualified Institutional Buyers” (within the meaning of Rule 144A promulgated under the Securities Act of**

* Preliminary; subject to change.

1933, as may be amended) which qualified institutional buyer has provided an Investor Representation Letter, substantially in the form set forth in APPENDIX J attached hereto, to the Trustee, and the Issuer upon the initial delivery of the Series 2025 Bonds. Subsequent resales of the Series 2025 Bonds shall be required to be to Qualified Institutional Buyers.

The Issuer will be required to cause the Bond Register to be kept by the Trustee which will be appointed the Issuer's bond registrar and agent for the transfer and exchange of the Series 2025 Bonds and as such, will be required to maintain the Bond Register. The Trustee, for and on behalf of the Issuer, will be required to keep the Bond Register in which will be recorded any and all transfers of ownership of Series 2025 Bonds. No Series 2025 Bonds will be registered to bearer. The Bond Register will be required at all times to comply with all requirements of §149(a) of the Code and all Regulations from time to time promulgated thereunder as may be applicable to the Bond Register. Any Series 2025 Bond may be transferred upon the Bond Register upon surrender thereof at the Office of the Trustee by the Owner in person or by his, her, or its attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing and upon payment by such Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in the Indenture. Upon any such registration of transfer, the Issuer will be required to cause to be executed and the Trustee will be required to authenticate and deliver in the name of the transferee a new fully registered Series 2025 Bond or Series 2025 Bonds of like tenor; in Authorized Denominations; of the same Series, maturity or maturities, and interest rate or rates; and in the same aggregate principal amount, and the Trustee will be required to enter the transfer of ownership in the Bond Register. No transfer of any Series 2025 Bond will be effective until entered on the Bond Register. Notwithstanding the foregoing, for so long as Bonds of a Series shall be held under the Book-Entry System, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository.

THE SERIES 2025 BONDS MAY BE TRANSFERRED ONLY TO A QUALIFIED INSTITUTIONAL BUYER. FURTHERMORE, ON ISSUANCE AND DELIVERY OF THE SERIES 2025 BONDS THE INITIAL PURCHASERS THEREOF MUST EXECUTE A LETTER IN THE FORM ATTACHED HERETO AS APPENDIX J "FORM OF INVESTOR LETTER" AND THERE CAN BE NO MORE THAN 35 PURCHASERS.

Any Series 2025 Bonds, upon surrender thereof at the Office of the Trustee together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by the Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the Owner thereof; and upon payment by such Owner of a sum sufficient to cover any shipping charge, insurance premium, governmental tax, fee, or charge required to be paid as provided in the Indenture, when not prohibited by law, for an equal aggregate principal amount of Series 2025 Bonds of the same Series, interest rate, designation, and maturity or maturities and in any other Authorized Denominations and registered in the name of the same Owner. The Issuer will cause to be executed and the Trustee will authenticate and deliver Series 2025 Bonds that the Owner making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, shall enter the exchange in the Bond Register.

Except as provided in the Indenture with respect to exchanges for certain temporary Series 2025 Bonds, the cost of printing, lithographing, and engraving of all Series 2025 Bonds will be deemed to be an Extraordinary Expense of the Trustee, and there will be no charge to any Owner for the registration, exchange, or transfer of Series 2025 Bonds, although in each case, the Trustee may require the payment by the Owner requesting exchange or transfer of any tax, fee, or other governmental charge required to be paid

with respect thereto and may require that such amount be paid before any such new Series 2025 Bond shall be delivered.

The Issuer and the Trustee may deem and treat the Owner of any Series 2025 Bond as the absolute owner of such Series 2025 Bond for the purpose of receiving any payment on such Series 2025 Bond and for all other purposes of the Indenture and the Loan Agreement, whether such Series 2025 Bond shall be overdue or not, and neither the Issuer nor the Trustee will be affected by any notice to the contrary. Payment of or on account of the Debt Service Payments on any Series 2025 Bond will be made to or upon the written order of the applicable Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing. All such payments will be valid and effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid.

New Series 2025 Bonds delivered upon any transfer or exchange will be valid limited obligations of the Issuer, evidencing the same obligation as the Series 2025 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 2025 Bonds (or portions thereof) surrendered. The Trustee will not be required to transfer or exchange any Series 2025 Bonds (a) after the notice calling such Series 2025 Bond, (or portion thereof) for redemption shall have been given as provided in the Indenture or (b) during the period beginning at the opening of business on the fifteenth day (whether or not a Business Day) immediately preceding either any Interest Payment Date or any date of selection of Series 2025 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.

Payment of the Series 2025 Bonds

In the event that the Book-Entry System described in Appendix G hereto shall be discontinued, principal of and premium, if any, on the Series 2025 Bonds will be payable by check or draft at maturity or at a date set for prior redemption at the Office of the Trustee to the registered owner of each Series 2025 Bond upon presentation and surrender of the Series 2025 Bonds being paid or redeemed. Interest on each Series 2025 Bond will be paid by check or draft mailed to the Person in whose name such Series 2025 Bond is registered, at his, her, or its address as it appears on the Bond Register as of the close of business on the Regular Record Date for such payment, irrespective of any transfer or exchange of the Series 2025 Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, by the Person in whose name the Series 2025 Bond is registered. At the option of the Owner of not less than \$500,000 in aggregate principal amount outstanding of Bonds of any Series 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 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 2025 Bond to the Trustee. **Notwithstanding anything to the contrary described under this heading, while a Securities Depository or its nominee is the Owner of Bonds of a Series, all Debt Service Payments thereon will be paid to the Securities Depository or its nominee in accordance with the Letter of Representations.**

Any provision of the Indenture to the contrary notwithstanding, to the extent the interest on any Series 2025B Bond is not paid on any Interest Payment Date, such nonpayment shall not constitute an Event of Default under the Indenture and such interest will continue to accrue until paid as set forth in the Indenture.

Book-Entry System for the Series 2025 Bonds

(a) Notwithstanding any other provision of the Indenture, the Series 2025 Bonds and, except as described in Paragraph (d) below, any Additional Bonds will be required to be issued initially in the form of a separate single certificated fully registered Series 2025 Bond for each of the maturities set forth on the inside cover hereof. Except as described in Paragraph (d) below, upon initial issuance, the ownership of each Series 2025 Bond will be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. Except as described in Paragraph (d) below, all of the Outstanding Series 2025 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(b) With respect to Series 2025 Bonds registered in the Bond Register in the name of the Securities Depository or its nominee, the Issuer, the Borrower, and the Trustee will have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Issuer, the Borrower, nor the Trustee will have responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, its nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner, or any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other Person, other than an Owner, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. The Issuer, the Borrower, and the Trustee will be permitted to treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, and interest with respect to such Bond, for the purpose of giving notices of redemption, for the purpose of obtaining consents, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee will be required to pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments will be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner will receive a certificated Bond evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to the Indenture. While DTC is the Securities Depository, upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions described herein with respect to Record Dates, the words “Cede & Co.” herein will refer to such new nominee of DTC.

(c) The Trustee will be required to take all actions reasonably necessary for all representations of the Issuer in the Letter of Representations with respect to the paying agents and the bond registrar, respectively, to at all times to be complied with.

(d) (i) The Securities Depository will be permitted to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer, the Borrower, and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Trustee, in its sole discretion and without the consent of any other Person, will be permitted to terminate the services of the Securities Depository with respect to the Bonds if the Trustee shall determine that:

(A) the Securities Depository is unable to discharge its responsibilities with respect to the Bonds; or

(B) a continuation of the requirement that all of the Outstanding Bonds be registered in the Bond Register in the name of the Securities Depository or its nominee is determined by the Requisite Number of Bondholders not to be in the best interest of the Beneficial Owners of the Bonds.

(iii) Upon the termination of the services of a Securities Depository with respect to the Bonds pursuant by the Securities Depository or upon the discontinuance or termination of the services of a Securities Depository with respect to the Bonds by the Trustee after which no substitute Securities Depository willing to undertake the functions of DTC under the Indenture can be found that shall be willing and able to undertake such functions upon reasonable and customary terms, the Trustee will be required to deliver Bond certificates at the expense of the Beneficial Owners of the Bonds, and the Bonds will no longer be restricted to being registered in the Bond Register in the name of the Securities Depository or its nominee, but will be permitted to be registered in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of the Indenture.

(e) Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of the Securities Depository or its nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

See “APPENDIX G—BOOK-ENTRY SYSTEM” hereto.

Series 2025 Bonds Are Limited Obligations

THE SERIES 2025 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY FROM THE REVENUES AND SECURITY INTERESTS PLEDGED FOR THEIR PAYMENT AS DESCRIBED HEREIN AND IN THE INDENTURE, AND NEITHER THE SERIES 2025 BONDS NOR THE INTEREST THEREON WILL CONSTITUTE AN INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION, STATUTORY LIMITATION, OR CHARTER PROVISION AND WILL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF ANY OF THEM. THE ISSUANCE OF THE SERIES 2025 BONDS WILL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Redemption

Optional Redemption.

Series 2025A Bonds. The Series 2025 Bonds maturing on or after October 1, 2036*, will be subject to redemption prior to maturity at the option of the Issuer upon the written request of the Borrower on and after October 1, 2035*, in whole or in part (in amounts not less than \$100,000) on any date at a Redemption

* Preliminary; subject to change.

Price equal to 100% of the principal amount thereof being redeemed plus interest accrued to the redemption date.

Series 2025B Bonds. The Series 2025B Bonds maturing on or after October 1, 2036*, will be subject to redemption prior to maturity at the option of the Issuer upon the written request of the Borrower on and after October 1, 2035*, in whole or in part (in amounts not less than \$100,000) on any date at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof being redeemed plus interest accrued to the redemption date.

Any optional redemption of Series 2025 Bonds will be conditioned upon the Trustee's receipt of funds sufficient to pay the Redemption Price of the Series 2025 Bonds to be redeemed on or prior to the redemption date.

Mandatory Sinking Fund Redemption.

Series 2025A Bonds. The Series 2025A Bonds will be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below:

**Series 2025A Bonds
Maturing on October 1, 2035***

October 1 of the Year*	Principal Amount*
2031	\$ 500,000
2032	500,000
2033	1,000,000
2034	1,500,000
2035 ¹	1,500,000

¹ Final Maturity.

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* Preliminary; subject to change.

Series 2025A Bonds
Maturing on October 1, 2045*

October 1 of the Year*	Principal Amount*
2036	\$2,000,000
2037	2,500,000
2038	2,900,000
2039	3,100,000
2040	3,300,000
2041	3,500,000
2042	3,700,000
2043	3,900,000
2044	4,100,000
2045 ¹	4,400,000

¹ Final Maturity.

Series 2025A Bonds
Maturing on October 1, 2055*

October 1 of the Year*	Principal Amount*
2046	\$4,600,000
2047	4,900,000
2048	5,200,000
2049	5,500,000
2050	5,900,000
2051	6,300,000
2052	6,600,000
2053	7,000,000
2054	7,500,000
2055 ¹	7,900,000

¹ Final Maturity.

[Remainder of page intentionally left blank]

* Preliminary; subject to change.

Series 2025A Bonds
Maturing on October 1, 2065*

October 1 of the Year*	Principal Amount*
2056	\$ 8,400,000
2057	9,000,000
2058	9,500,000
2059	10,100,000
2060	10,800,000
2061	11,500,000
2062	12,200,000
2063	13,000,000
2064	13,800,000
2065 ¹	14,600,000

¹ Final Maturity.

Series 2025B Bonds. The Series 2025B Bonds will be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts and on the dates set forth below

Series 2025B Bonds
Maturing on October 1, 2035*

October 1 of the Year*	Principal Amount*
2031	\$200,000
2032	200,000
2033	200,000
2034	200,000
2035 ¹	200,000

¹ Final Maturity.

[Remainder of page intentionally left blank]

* Preliminary; subject to change.

**Series 2025B Bonds
Maturing on October 1, 2045***

October 1 of the Year*	Principal Amount*
2036	\$300,000
2037	300,000
2038	300,000
2039	300,000
2040	300,000
2041	400,000
2042	400,000
2043	400,000
2044	400,000
2045 ¹	400,000

¹ Final Maturity.

**Series 2025B Bonds
Maturing on October 1, 2055***

October 1 of the Year*	Principal Amount*
2046	\$500,000
2047	500,000
2048	500,000
2049	600,000
2050	600,000
2051	700,000
2052	700,000
2053	700,000
2054	800,000
2055 ¹	800,000

¹ Final Maturity.

[Remainder of page intentionally left blank]

* Preliminary; subject to change.

Series 2025B Bonds
Maturing on October 1, 2065*

October 1 of the Year*	Principal Amount*
2056	\$ 900,000
2057	1,000,000
2058	1,000,000
2059	1,100,000
2060	1,200,000
2061	1,200,000
2062	1,300,000
2063	1,400,000
2064	1,500,000
2065 ¹	1,600,000

¹ Final Maturity.

On or before the forty-fifth day immediately preceding any October 1 on which Series 2025 Bonds are to be retired pursuant to the applicable Sinking Fund Requirement, the Borrower will be permitted to (a) deliver to the Trustee for cancellation, Series 2025 Bonds of the applicable maturity in any aggregate principal amount desired; or (b) receive a credit with respect to the applicable Sinking Fund Requirement for any such Series 2025 Bonds that before said date have been purchased or redeemed (other than through mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such Sinking Fund Requirement. Each such Series 2025 Bond so delivered or previously purchased or redeemed and cancelled by the Trustee will be credited by the Trustee at 100% of the principal amount thereof against the Sinking Fund Requirement for the Series 2025 Bonds of the applicable maturity on such mandatory sinking fund redemption date, and any excess over such amount will be credited against future applicable Sinking Fund Requirements for such Series in such order as may be selected by the Borrower or, in the absence of such selection, in chronological order, and the applicable Sinking Fund Requirements for such Series 2025 Bonds will be accordingly reduced.

The Issuer, at the request of the Borrower, or the Borrower will be required, on or before the forty-fifth day immediately preceding each such mandatory sinking fund redemption date for Series 2025 Bonds, to furnish the Trustee with its certificate indicating whether and to what extent the provisions of clauses (a) and (b) in the preceding Paragraph are to be availed of with respect to such Sinking Fund Requirement.

Extraordinary Optional Redemption.

(a) The Series 2025 Bonds will also be subject to redemption at the option of the Issuer upon the written request of the Borrower, in whole if:

(i) the Series 2025 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot reasonably be restored within a period of 12 months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal

* Preliminary; subject to change.

operations thereat for a period of not less than 12 consecutive months, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of insurance payable in respect of such destruction or damage; or

(ii) title to, or the temporary use of, a substantial portion of the Series 2025 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot be reasonably restored or replaced within a period of 12 months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than 12 consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking.

(b) The Series 2025 Bonds will also be subject to redemption at the option of the Issuer upon the written request of the Borrower, in part in the event of either the partial condemnation or destruction of, or partial damage to, the Series 2025 Project or there are Net Proceeds from the title insurance on the Series 2025 Project. Then, from the Net Proceeds received by the Borrower or the Trustee as a result of such taking, destruction, or damage or as a result of the receipt of such title insurance moneys to the extent such Net Proceeds are not used for the restoration of the Series 2025 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2025 Project as such operations were conducted prior to such taking, destruction, or damage or title insurance event, if the Borrower furnishes to the Trustee and the Issuer:

(i) a certificate of an Independent Engineer stating (A) that the property forming a part of the Series 2025 Project (that was taken, destroyed, or damaged or resulted in the title insurance payment) is not essential to the Borrower's use or occupancy of the Series 2025 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage, or title insurance event; or (B) that the Series 2025 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage or title insurance event; or (C) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged or that suffered the title impairment; or

(ii) a written report of a Financial Consultant filed with the Trustee and the Issuer that the Fixed Charges Coverage Ratio on the Senior Bonds for each of the two (2) Annual Periods following the Annual Period following such taking, destruction, or damage or title impairment will not be less than the lesser of (a) 1.25 and (b) the average Fixed Charges Coverage Ratio on the Senior Bonds for the two (2) most recent Annual Periods prior to such taking, destruction, or damage or title impairment for which audited financial statements are available.

If the Series 2025 Bonds shall be called for redemption upon the occurrence of any of the events described in the two immediately preceding Paragraphs, the Series 2025 Bonds will be permitted to 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 equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

Subject to the provisions of the Indenture described below under the subheading “Selection of Series 2025 Bonds to be Redeemed,” “DTC Procedures,” and “Redemption of a Portion of a Series 2025 Bond,” any redemption of less than all of the Series 2025 Bonds pursuant to the provisions of the Indenture described under this subheading will be applied first to redeem the Senior Bonds until the Senior Bonds are no longer outstanding, then to redeem the Subordinate Bonds.

Selection of Series 2025 Bonds To Be Redeemed. If the Series 2025 Bonds shall be called for redemption (other than through mandatory sinking fund redemption), the Borrower will be permitted to select the maturity of Series 2025 Bonds to be redeemed. Subject to the provisions described in Section 310 entitled “Redemption of a Portion of a Bond” in “APPENDIX F—TRUST INDENTURE” hereto if less than all of the Series 2025 Bonds of any maturity shall be called for redemption (other than through mandatory sinking fund redemption), Borrower shall select the Bonds of such Series or maturity to be redeemed; provided funds are first applied to redeem the Series 2025A Bonds until the Series 2025A Bonds are no longer outstanding, then to redeem the Series 2025B Bonds until the Series 2025B Bonds are no longer Outstanding. Notwithstanding the foregoing, but subject to the final sentence of this section of the Indenture as described under this subheading “–Selection of Series 2025 Bonds To Be Redeemed,” the Borrower will have the right to designate the Mandatory Sinking Fund Redemption Requirement to which such redemption shall be credited.

DTC Procedures. Investors should note that while DTC is the Owner of the Series 2025 Bonds, partial redemptions of the Series 2025 Bonds will be determined in accordance with DTC’s procedures. The Issuer intends that redemption allocations made by DTC, DTC Participants, or such other intermediaries that may exist between the Issuer and the Beneficial Owners be made in accordance with the method of selection of Series 2025 Bonds for a partial redemption described herein. However, the selection of the Series 2025 Bonds for redemption in DTC’s book-entry-only system is subject to DTC’s practices and procedures as in effect at the time of any such partial redemption. The Issuer can provide no assurance that DTC, the DTC Participants, or any other intermediaries will allocate redemptions among Beneficial Owners in accordance with the method of selection of Series 2025 Bonds for a partial redemption as described above.

Notice of Redemption. In the event any Series 2025 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2025 Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 nor more than 60 days prior to the date fixed for redemption to the Owner of each Series 2025 Bond to be redeemed in whole or in part at the address shown on the Bond Register at the close of business on the fifth day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any Owner of Series 2025 Bonds or any defect therein will not affect the validity of any proceedings for the redemption of any other Series 2025 Bonds for which notice shall have been properly given. Each notice will be required to specify the CUSIP numbers of the Series 2025 Bonds of each Series being called; the numbers of the Series 2025 Bonds of each Series being called; if less than all of the Series 2025 Bonds of any Series 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 be required further to state that payment of the applicable Redemption Price will be made upon presentation and surrender of the Series 2025 Bonds to be redeemed and that on the redemption date, the Redemption Price will become due and payable upon each Series 2025 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 2025 Bonds to be redeemed are on deposit with the Trustee at the place of, and the time for, payment. Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the Owner of such Series 2025 Bonds actually receives such notice.

Conditional Notice of Redemption. Any notice of redemption may, at the direction of the Issuer upon the written request of the Borrower, state (a) that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient and legally available funds to pay the Redemption Price of the Series 2025 Bonds to be redeemed; and/or (b) that the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date and that if such funds shall not be so received or shall not be so legally available or if the notice shall be rescinded, such notice will be of no force or effect and such Series 2025 Bonds will not be required to be redeemed. In the event that such notice shall contain such condition(s) and sufficient legally available funds to pay the Redemption Price of such Series 2025 Bonds shall not be received by the Trustee on or prior to the redemption date or if the notice shall be rescinded on or prior to the redemption date, the redemption will not be made and the Trustee will be required, within a reasonable time thereafter, to give notice, in the manner in which the notice of redemption shall have been given, that such funds were not so received.

In all instances where the Trustee is directed by the terms of the Indenture to redeem Series 2025 Bonds from moneys deposited into the Redemption Fund, the Trustee shall redeem the maximum number of Series 2025 Bonds that may be redeemed in accordance with the applicable provisions hereof, and any excess moneys will remain in the Redemption Fund.

Purchase in Lieu of Redemption.

If any Bonds are called for optional redemption in whole or in part, the Borrower may elect to have such Bond purchased in lieu of redemption. Purchase in lieu of redemption will be available with respect to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Borrower may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption with funds provided by the Borrower. Any direction to the Trustee to purchase any or all of the Bonds in lieu of redemption shall be accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds. See Section 305 entitled “Purchase in Lieu of Redemption” in “APPENDIX F—TRUST INDENTURE” hereto.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

Limited Obligations

THE SERIES 2025 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY FROM THE REVENUES AND SECURITY INTERESTS PLEDGED FOR THEIR PAYMENT AS DESCRIBED HEREIN AND IN THE INDENTURE, AND NEITHER THE SERIES 2025 BONDS NOR THE INTEREST THEREON WILL CONSTITUTE AN INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION, STATUTORY LIMITATION, OR CHARTER PROVISION AND WILL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF ANY OF THEM. THE ISSUANCE OF THE SERIES 2025 BONDS WILL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Leasehold Mortgage, Security Agreement, Assignment of Contracts and Agreements and Developer's Assignment

As security for the obligations of the Borrower to the Issuer under Loan Agreement and the Series 2025 Notes, the Borrower will execute and deliver to the Trustee (a) the Leasehold Mortgage pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first mortgage lien on its interest in the real property included in the Series 2025 Project and the Property and will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the Series 2025 Project; (b) the Security Agreement pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Pledged Revenues, the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Series 2025 Project, the Inventory, and the Equipment; and (c) the Assignment of Contracts and Agreements pursuant to which the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in its rights under the Development Agreement and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project including the Developer's Assignment described in the following Paragraph. The lien created by the Leasehold Mortgage is subject to the rights of the University under the Ground Lease as the fee simple owner of the Property. The Leasehold Mortgage does not constitute a lien on the University's fee simple interest in the Property. Because of certain risks associated with pledging and granting a security interest in collateral of this nature, prospective purchasers should not rely upon such collateral as providing any significant security for the Series 2025 Bonds. See "CERTAIN BONDHOLDERS' RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues" herein.

As security for the obligations of the Developer to the Borrower under the Development Agreement, the Developer will execute and deliver to the Borrower the Developer's Assignment pursuant to which the Developer will collaterally assign to the Borrower all of its right, title, and interest in and to the Development Documents (as defined in the Developer's Assignment), including without limitation, the Design-Build Agreement, and all other contracts and/or agreements (whether entered into on or before the date hereof or hereafter) between the Developer or the Design-Builder and any person or firm rendering services or supplying material in connection with the development, design, or construction of the Series 2025 Project. Additionally, in order to secure its obligations to the Developer under the Design-Build Agreement, the Design-Builder will execute and deliver to the Developer a Design-Builder's Assignment to which it has collaterally assigned to the Developer all of its right, title, and interest in and to all contracts and/or agreements between the Design-Builder and any person or firm rendering services or supplying material in connection with the design or construction of the Series 2025 Project.

Pledge of Pledged Revenues

As security for the obligations of the Borrower to the Issuer under Loan Agreement and the Series 2025 Notes, the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in the Pledged Revenues and the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Series 2025 Project. See Section 501 entitled "Revenue Fund" in "APPENDIX F—TRUST INDENTURE" hereto for a description of the transfers and payments to be made from the Revenue Fund (into which Pledged Revenues are to be deposited).

"Pledged Revenues" generally is defined in the Loan Agreement to mean (i) the sum of (a) the gross receipts and operating and non-operating revenues derived by the Borrower from the ownership or operation of the Series 2025 Project (other than contributions and vending machine receipts) and derived

from the Residential Manager, on behalf of the Borrower, through collecting funds from residents for use or occupancy of the student housing component of the Series 2025 Project and Lease Payments made by the University pursuant to the University Sublease, and (b) Net Proceeds of insurance, and (c) Unrestricted Contributions, but excluding in any event, (ii) the sum of (A) earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, and (B) security deposits received from residents of the Series 2025 Project and held by the Borrower or the University 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 Series 2025 Project in accordance with the terms of a lease or residency agreement, and (C) earnings or gains resulting from any reappraisal, revaluation, or write-up of assets, and (D) any unrealized gain resulting from changes in the value of investment securities, and (E) any revenues resulting from operation of the Related Facilities. See “APPENDIX E—LOAN AGREEMENT” attached hereto.

Because of certain risks associated with granting a security interest in collateral of this nature, prospective purchasers should not rely upon such collateral as providing any significant security for the Series 2025 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues” herein.

Sublease Lease Payments

Pursuant to the Sublease, the Borrower will sublease the Related Facilities to the University, for a term beginning on the Commencement Date of the Sublease through the day before the last day of the term of the Ground Lease. The University is obligated to make Lease Payments to the Borrower pursuant to the Sublease, which Lease Payments are a component of the Pledged Revenues pledged by the Borrower as security for its obligations under Loan Agreement and the Series 2025 Notes. The Lease Payments are comprised of the annual Base Rent, as defined in the Sublease, and any other Lease Payments made thereunder. Pursuant to the Sublease, the University will pay to the Borrower annual Base Rent in the amounts set forth therein in twelve monthly installments on the 20th day of each month, commencing with the month immediately following the Commencement Date. The “Commencement Date” is the date the Related Facilities reach Substantial Completion (as defined in the Development Agreement) and the University accepts possession of the Related Facilities pursuant to the Sublease. The University’s acceptance of the Related Facilities is subject to inspecting the work and issuing its certificate of acceptance. See “THE SUBLEASE” herein.

Pledge and Assignment of Trust Estate

Pursuant to the Indenture, and in order to secure the payment of the Debt Service Payments 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 Bonds, the Issuer will grant to the Trustee a first priority security interest in the following (the “Trust Estate”) which will consist of:

(a) all the right, title, and interest of the Issuer in and to (i) the Loan Agreement (except for Unassigned Rights) and any loan, financing, or similar agreement between the Issuer and the Borrower relating to Additional Bonds; and (ii) the Series 2025 Notes and any other Notes, and all extensions and renewals of the terms thereof, if any, and all amounts encumbered thereby, including, but, without limitation, 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;

(b) 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 Bonds and all moneys held by the Trustee in the

funds created under the Indenture (excluding the Rebate Fund), including the Revenue Fund, the Bond Fund, the Redemption Fund, the Debt Service Reserve Fund, the Issuance Cost Fund, the Construction 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 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;

(c) 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 Trustee under the terms of the Indenture, 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 Trustee; and

(d) the Leasehold Mortgage together with other property of every name and nature from time to time 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 Trustee.

Under the Indenture, upon the occurrence of an Event of Default, the rights of the owners of the Series 2025 Bonds to the Trust Estate, to the extent provided for, are subject to a prior lien to secure the payment of all fees and expenses of the Trustee, and the Trustee may apply moneys received by it pursuant to any action taken by it in accordance with the Indenture in connection with such Event of Default to the payment of the costs and expenses of the proceedings resulting on the collection of such moneys and to the payment of the expenses, liabilities, and advances incurred or made by the Trustee prior to its applying such moneys to the payment of Debt Service Payments on the Bonds.

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

Because of certain risks associated with granting a security interest in collateral of the nature described above, prospective purchasers should not rely solely upon such collateral as providing security for the Series 2025 Bonds. See "CERTAIN BONDHOLDERS' RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues" herein.

Revenue Fund

Under the Indenture, a fund designated as the "Revenue Fund" will be created in connection with the issuance of the Series 2025 Bonds and into which the University and the Borrower have agreed to deposit or cause to be deposited the Pledged Revenues in accordance with the Sublease, the Management Agreement and the Loan Agreement. Subject to the provisions of the Indenture, the amounts deposited into the Revenue Fund shall be transferred or paid by the Trustee to the applicable Funds and/or Persons in the order and amounts and on the dates indicated in the Indenture. The Series 2025B Bonds are to be paid on a subordinate basis to the Series 2025A Bonds and after certain transfers and other payments required to be made pursuant to the Indenture. See "APPENDIX F—TRUST INDENTURE—Revenue Fund" attached hereto.

Any provision of the Indenture to the contrary notwithstanding, to the extent the interest on any Series 2025B Bond is not paid on any Interest Payment Date, such nonpayment shall not

constitute an Event of Default under the Indenture and such interest will continue to accrue until paid as set forth in the Indenture.

Bond Fund

Under the Indenture, a trust fund will be established with the Trustee to be designated the “Bond Fund.” There shall be deposited into the Bond Fund from the Revenue Account all amounts specified in the Indenture and all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Borrower that such moneys are to be paid into the Bond Fund. Except as provided in the Indenture, moneys in the Bond Fund will be used solely to pay the Debt Service Payments on the Series 2025 Bonds. Subject to the Indenture, not later than 1:00 p.m. on any date Debt Service Payments are due (other than principal of Series 2025 Bonds to be paid from moneys in the Redemption Fund pursuant to the Indenture), the Trustee is to withdraw moneys from the Bond Fund sufficient to make such Debt Service Payment and shall make such Debt Service Payment to the Owner of such Series 2025 Bonds entitled thereto. See “APPENDIX F—TRUST INDENTURE—Bond Fund” attached hereto.

Within the Bond Fund will be created a separate account designated the “Capitalized Interest Account” and therein two separate subaccounts designated, respectively, the “2025A Subaccount of the Capitalized Interest Account” for the Series 2025A Bonds and the “2025B Subaccount of the Capitalized Interest Account” for the Series 2025B Bonds. Upon the Issuance of the Series 2025 Bonds certain proceeds for the Series 2025A Bonds and Series 2025B Bonds will be deposited into the 2025A Subaccount of the Capitalized Interest Account and the 2025B Subaccount of the Capitalized Interest Account, respectively. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Amounts in the 2025A Subaccount of the Capitalized Interest Account shall not be used to pay interest on the Series 2025B Bonds.

Debt Service Reserve Fund

Under the Indenture, a Debt Service Reserve Fund will be created and therein, in connection with the issuance of the Series 2025 Bonds, there will also be created two separate subaccounts within the Debt Service Reserve Fund to be designated the “2025 Senior Account” and the “2025 Subordinate Account.” The 2025 Senior Account will be funded initially from proceeds of the Series 2025A Bonds in an amount equal to \$15,144,125* (the “Senior Debt Service Reserve Requirement”) for the Series 2025A Bonds as of the date of issuance of the Series 2025 Bonds. The 2025 Subordinate Account will be funded initially from proceeds of the Series 2025B Bonds in an amount equal to \$1,713,500* (the “Subordinate Debt Service Reserve Requirement”) for the Series 2025B Bonds as of the date of issuance of the Series 2025 Bonds. Under the Indenture, the Trustee will be authorized to transfer to the Bond Fund amounts held in the 2025 Senior Account of the Debt Service Reserve Fund to pay the Debt Service Payments then due on the Series 2025A Bonds and on any Additional Senior Bonds and (ii) from the 2025 Subordinate Account of the Debt Service Reserve Fund to pay the Debt Service Payments then due on the Series 2025B Bonds and on any Additional Subordinate Bonds to the extent that there are insufficient funds for said purposes in the Bond Fund, the Redemption Fund, the Surplus Fund and, in the case of the 2025 Senior Account of the Debt Service Reserve Fund, the Repair and Replacement Fund available therefor on the date such Debt Service Payments are due. In the event any amounts from either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund are withdrawn or if there is a diminution in Value of the cash and investments held in either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund as of any

* Preliminary; subject to change.

Valuation Date, or if any net losses result from the investment of amounts held in either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund that will reduce the Value of the cash and investments held in either such fund to less than the applicable Debt Service Reserve Requirement as of any Valuation Date, the Borrower will, beginning on the 20th day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses, and on the 20th day of each month thereafter, in addition to any other Loan Payments that may be due, make 12 consecutive monthly payments as Reserve Loan Payments to the Trustee for deposit into the appropriate Debt Service Reserve Fund, each equal to 1/12th of the amount of such withdrawal, diminution in Value, or losses, in all instances necessary to restore such Debt Service Reserve Fund to the appropriate Debt Service Reserve Requirement. See “APPENDIX F—TRUST INDENTURE” and “APPENDIX E—LOAN AGREEMENT” attached hereto. Additionally, the Trustee will also establish separate subaccounts within the Debt Service Reserve Fund with respect to each Series or related Series of Additional Bonds, as applicable.

Repair and Replacement and Other Funds

The Repair and Replacement Fund will be a trust fund into which the Borrower will be required to make monthly deposits starting July 20, 2028. See “APPENDIX F—TRUST INDENTURE” and “APPENDIX E—LOAN AGREEMENT” hereto. The moneys in the Repair and Replacement Fund will be disbursed by the Trustee for the costs of maintenance and repair of the Project or to pay the Debt Service Payments on the Bonds to the extent there are insufficient funds on deposit in the Bond Fund, the Redemption Fund, the Surplus Fund (including the Restricted Account of the Surplus Fund), the Operations Contingency Fund, and the Debt Service Reserve Fund available on the date such payments are due. There is no minimum balance that is required to be maintained in the Repair and Replacement Fund. See Sections 501 through 511 in “APPENDIX F—TRUST INDENTURE” hereto for a description of the amounts to be deposited into and transferred from other Funds held under the Indenture.

Title and Property Insurance

A leasehold mortgagee’s title insurance policy will be delivered in the amount of not less than the original principal amount of the Series 2025 Bonds insuring that the Trustee will have a valid first mortgage lien on the Borrower’s leasehold interest in and to the Property, subject only to Permitted Encumbrances and the standard exclusions from the coverage of such policy. Under such title insurance policy, the Trustee will not be permitted to recover more than the fair market value of any property that is lost as a result of a title defect.

The Borrower will be required under the terms of the Loan Agreement to keep the Series 2025 Project fully insured against fire and other casualties and to maintain certain specified amounts of liability and business interruption insurance. See “APPENDIX E—LOAN AGREEMENT—Exhibit E” hereto. Upon completion of the Series 2025 Project, it is expected that the property and liability insurance for the Series 2025 Project will be obtained from FICURMA, a private educational risk retention pool. For more information on the FICURMA program, including coverages and deductibles available under the program, see www.ficurma.org. There can be no assurance that the insurance coverage provided under the FICURMA program will be sufficient to cover further claims with respect to damage and destruction of the Series 2025 Project. Members of FICURMA include Independent Colleges and Universities of Florida. The risk retention pool provided by FICURMA, among other things, is designed to reduce the participant’s loss in the event of damage from a named storm (such as a named hurricane).

Rate Covenant

The Borrower will be required to operate the Series 2025 Project as a revenue producing mixed-use facility on a non-discriminatory basis and to the extent permitted by law, to charge or cause to be charged such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges, together with other available funds, sufficient to pay promptly all expenses of operation, maintenance, and repair of the Series 2025 Project and to provide all payments required to be made by the Borrower under the Loan Agreement. “Revenue Available for Fixed Charges” is defined in the Loan Agreement to mean for any period, the excess of Revenues over Expenses, plus, to the extent that the same shall have been included as an Expense, (i) expenses or expenditures made in respect of the Series 2025 Project that are capitalized, (ii) 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), (iii) deposits to the Debt Service Reserve Fund, (iv) the repayment of the principal amount of any Indebtedness, (v) interest on Indebtedness other than Short-Term Indebtedness, (vi) depreciation, (vii) amortization, (viii) any other Expense to the extent that payment of such Expense shall have been subordinated to the payment of Annual Debt Service, and (ix) other non-cash expenses. See Article I of “APPENDIX E—LOAN AGREEMENT” attached hereto. Such rates, fees, charges and Lease Payments in each Annual Period beginning with the first full Annual Period after the Series 2025 Completion Date will be required to be sufficient to produce a Fixed Charges Coverage Ratio on the Senior Bonds of at least 1.25. In the event that it shall be determined, based upon the annual audited financial statements of the Borrower required by the provisions of Article VIII of “APPENDIX E—LOAN AGREEMENT” attached hereto that for any Annual Period, such Fixed Charges Coverage Ratio on the Senior Bonds shall not have been maintained, the Borrower will be required, within 30 days of receipt of such financial statements, to engage a Financial Consultant to submit 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 on the Senior Bonds, to cause such Financial Consultant to prepare and submit such recommendations within 60 days of the date of its engagement, and to implement such recommendations promptly to the extent permitted by law and by the Ground Lease. No Event of Default under the Loan Agreement will occur as a result of the provisions of the Loan Agreement described in this paragraph if the recommendations of the Financial Consultant are followed notwithstanding that such Fixed Charges Coverage Ratio on the Senior Bonds shall not subsequently be reattained, but the Borrower will continue to be obligated to employ such a Financial Consultant for such purpose until such Fixed Charges Coverage Ratio on the Senior Bonds shall be reattained.

The Borrower will also be required, from time to time as often as necessary and to the extent permitted by law, 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 Article VIII of “APPENDIX E—LOAN AGREEMENT” attached hereto.

Enforceability of Remedies

The realization of value from the real and personal property comprising the Series 2025 Project and from the other security for the Series 2025 Bonds upon any default will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. See “CERTAIN BONDHOLDERS’ RISKS—Enforceability of Remedies” and “CERTAIN BONDHOLDERS’ RISKS—Pledge and Assignment of, and Grant of Security Interest in, Future Revenues” herein. **PURSUANT TO THE INDENTURE, THE OWNERS OF THE SUBORDINATE BONDS SHALL HAVE NO**

CONSENT, ACCELERATION OR DIRECTION RIGHTS OR RIGHT TO PAYMENT UNTIL ALL OF THE SENIOR BONDS HAVE BEEN PAID IN FULL AND, AT SUCH TIME AS ALL SENIOR BONDS HAVE BEEN PAID.

ADDITIONAL BONDS

So long as no Event of Default under the Indenture shall then be existing, Additional Bonds may be issued by the Issuer upon the request of the Borrower to provide funds to pay any one or more of the following: (A) the costs of completing a portion of a Project; (B) the costs of refunding any Bonds; (C) the costs to acquire or construct a Project; and (D) 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.

Additional Senior Bonds will be issued on a parity with the Series 2025A Bonds and Additional Subordinate Bonds will be subordinate to any Senior Bonds. Any Additional Senior Bonds theretofore or thereafter issued will be secured by the lien and security interests granted by the Leasehold Mortgage and Security Agreement and, equally and ratably with the Series 2025A Bonds and any Additional Senior Bonds theretofore or thereafter issued.

An amount equal to the Senior Debt Service Reserve Requirement for such Additional Senior Bonds will be deposited into a separate Account of the Debt Service Reserve Fund or, if provided for in a Supplemental Indenture, into the applicable Account established under the Indenture for the Series 2025 Bonds, in which case, the Account will be a shared Account benefitting the Series 2025A Bonds and any Additional Senior Bonds identified in such Supplemental Indenture.

Prior to the issuance of any Additional Senior Bonds to finance the cost of acquiring, constructing or completing a Project, there will be prepared and filed with the Trustee a certificate of the Borrower approved by an Independent Engineer setting forth the estimated costs of the proposed acquisition, construction or completion or the proposed Additions or Alterations to a Project, including an allowance for contingencies, the estimated date on which the completed Project will be placed in service or completed, and the amount, if any, provided or to be provided by the Borrower from other sources toward payment of the costs of completion of the Project and the manner in which such funds will be provided.

Prior to the issuance of any Additional Senior Bonds to finance the costs of acquiring, constructing or completing a portion of a Project, the Borrower will be required to furnish to the Trustee a written report of a Financial Consultant showing that (giving effect to the issuance or incurrence of such Additional Bonds) (1) the expected Fixed Charges Coverage Ratio for each of the three Annual Periods immediately following the Annual Period in which the completed Project is expected to be placed in operation is not less than 1.25 on the Senior Bonds; and (2) the expected Revenue Available for Fixed Charges for each Annual Period until the Project is expected to be placed in operation plus any capitalized or funded interest is sufficient to pay the Fixed Charges, including the Fixed Charges that relate to the proposed Additional Senior Bonds, for each Annual Period until the Project is expected to be placed in operation.

Additional Senior Bonds in an amount not to exceed ten percent (10%) of the principal amount of the Series 2025A Bonds may be issued to provide funds to complete the acquisition, construction, furnishing, and equipping of the Series 2025 Project, without regard to the requirements of subsection (c) of Section 211 of the Indenture as described in the immediately preceding paragraph.

Prior to the issuance of any Additional Senior Bonds to refund any Senior Bonds that results in the refunding of less than all of the then Outstanding Bonds, there will be required to be prepared and filed with the Trustee:

(a) a written report or opinion of an Accountant to the effect that the debt service requirements on all Senior Bonds (assuming no more Senior Bonds are issued after the proposed refunding) for any Annual Period subsequent to the refunding to and including the Annual Period of the final maturity of Senior Bonds outstanding prior to the refunding will not, as a result of such refunding, exceed the debt service requirements for any such Annual Period had such refunding not occurred; or

(b) (i) the certificates or schedules regarding the Fixed Charges Coverage Ratio on the Senior Bonds required by the Loan Agreement as described in Appendix E attached hereto evidencing that for each of the two Annual Periods immediately preceding the issuance of the proposed Additional Bonds the Fixed Charges Coverage Ratio on the Senior Bonds was greater than or equal to 1.25, and (ii) a written report of a Financial Consultant showing that (giving effect to the issuance of such Additional Senior Bonds and to the refunding) the expected Fixed Charges Coverage Ratio on the Senior Bonds for the Annual Period immediately following such refunding is not less than 1.25; or

(c) a written report or opinion of an Accountant to the effect that for each of the three Annual Periods immediately preceding the issuance of the proposed Additional Senior Bonds the Fixed Charges Coverage Ratio on the Senior Bonds, determined by the application of pro forma adjustments to Fixed Charges, as determined from the audited financial statements of the Borrower furnished to the Trustee pursuant to the Loan Agreement as described in Appendix E attached hereto that substitute the debt service on the proposed Additional Senior Bonds for the actual debt service on the Bonds proposed to be refunded for each such Annual Period, was greater than or equal to 1.25; or

(d) forecasted financial statements for the three Annual Periods immediately following such refunding, that give a written report of a Financial Consultant showing that (giving effect to the issuance of such Additional Senior Bonds and to the refunding) the expected Fixed Charges Coverage Ratio on the Senior Bonds for each of the three Annual Periods immediately following such refunding is not less than 1.35.

ANY ADDITIONAL SENIOR BONDS WILL BE SECURED BY THE LIEN AND SECURITY INTERESTS GRANTED BY THE LEASEHOLD MORTGAGE, THE SECURITY AGREEMENT, THE LOAN AGREEMENT (IF ANY), AND THE INDENTURE AND WILL BE EQUAL, WITHOUT PREFERENCE OR PRIORITY, TO THE LIEN AND SECURITY INTEREST PROVIDED FOR THE SERIES 2025 BONDS.

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

No Subordinate Bonds other than the Series 2025B Bonds may be issued under the terms of the Indenture.

Notwithstanding anything else contained in the Indenture or in the Loan Agreement, the Borrower is authorized to incur additional Indebtedness in the form of capital leases for the acquisition of equipment, provided such amount is included in the Annual Budget.

DEBT SERVICE SCHEDULE ON THE BONDS*

The following table sets forth the principal, including principal payable at maturity and by mandatory sinking fund redemption of, and interest payment requirements with respect to the Series 2025 Bonds. The Series 2025 Bonds are subject to mandatory, optional, and extraordinary redemption prior to maturity, as described herein. See “THE SERIES 2025 BONDS—Redemption” herein.

Annual Debt Service Requirements for Series 2025 Bonds*						
Period Ending June 30	Series 2025A Principal*	Series 2025A Interest	Series 2025B Principal*	Series 2025B Interest	Capitalized Interest	Aggregate Net Debt Service
2026	-	\$	-	\$	\$	\$
2027	-		-			-
2028	-		-			
2029	-		-		-	
2030	-		-		-	
2031	-		-		-	
2032	\$ 500,000		\$ 200,000		-	
2033	500,000		200,000		-	
2034	1,000,000		200,000		-	
2035	1,500,000		200,000		-	
2036	1,500,000		200,000		-	
2037	2,000,000		300,000		-	
2038	2,500,000		300,000		-	
2039	2,900,000		300,000		-	
2040	3,100,000		300,000		-	
2041	3,300,000		300,000		-	
2042	3,500,000		400,000		-	
2043	3,700,000		400,000		-	
2044	3,900,000		400,000		-	
2045	4,100,000		400,000	-	-	
2046	4,400,000		400,000	-	-	
2047	4,600,000		500,000	-	-	
2048	4,900,000		500,000	-	-	
2049	5,200,000		500,000	-	-	
2050	5,500,000		600,000	-	-	
2051	5,900,000		600,000	-	-	
2052	6,300,000		700,000	-	-	
2053	6,600,000		700,000	-	-	
2054	7,000,000		700,000	-	-	
2055	7,500,000		800,000	-	-	
2056	7,900,000		800,000	-	-	
2057	8,400,000		900,000	-	-	
2058	9,000,000		1,000,000	-	-	
2059	9,500,000		1,000,000	-	-	
2060	10,100,000		1,100,000	-	-	
2061	10,800,000		1,200,000	-	-	
2062	11,500,000		1,200,000	-	-	
2063	12,200,000		1,300,000	-	-	
2064	13,000,000		1,400,000	-	-	
2065	13,800,000		1,500,000			
2066	<u>14,600,000</u>		<u>1,600,000</u>			
Total	<u>\$212,700,000</u>	\$	<u>\$23,100,000</u>	\$	\$	\$

Source: The Underwriter

* Preliminary; subject to change.

CERTAIN BONDHOLDERS' RISKS

Introduction

No person should purchase any of the Series 2025 Bonds without carefully reviewing the following information, which summarizes some, but not all, of the factors that should be carefully considered prior to such a purchase. An investment in the Series 2025 Bonds involves a high degree of risk and should be considered only by investors who have adequate experience to evaluate the merits and the risks of the Series 2025 Bonds and who are able to bear the risk of loss of all or a portion of their investment in the Series 2025 Bonds. Furthermore, the tax-exempt feature of the Series 2025 Bonds is relatively more valuable to high tax bracket purchasers than to purchasers who are in the lower tax brackets, and so the value of the interest compensation to any particular purchaser will vary with his, her, or its marginal tax rate. Each prospective purchaser should, therefore, determine his, her, or its present and anticipated marginal tax rate before investing in the Series 2025 Bonds. Each prospective purchaser should also carefully examine this Limited Offering Memorandum and his, her, or its own financial condition (including the diversification of his, her, or its investment portfolio) in order to make a judgment as to whether the Series 2025 Bonds are an appropriate investment.

Identified and summarized below are a number of considerations or risks that could adversely affect the operation of the Series 2025 Project and/or the Series 2025 Bonds and that should be considered by prospective purchasers. The following discussion is not intended to be exhaustive, but includes certain major factors that should be considered along with other factors set forth elsewhere in this Limited Offering Memorandum, including the Appendices hereto.

Revenues From Operation of the Series 2025 Project

If the Borrower is unable to generate sufficient revenues from the operation of the Student Housing Facilities portion of the Series 2025 Project and if the University is unable to make payments of Base Rent to pay for the Related Facilities portion of the Series 2025 Project's, ultimately to be paid towards the principal of and interest on the Series 2025 Bonds, than an Event of Default will occur under the Bond Documents. Upon an Event of Default, the Series 2025 Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums may result. The Borrower's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment at the University, (ii) increased competition from other schools, (iii) increased competition from other housing developments and options, (iv) loss of accreditation of the University, (v) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, (vi) cost overruns in connection with the Series 2025 Project or other capital improvements and (vii) a deterioration in the financial position of the University impacting its ability to make Base Rent payments. The occupancy rates related to the Series 2025 Project may be adversely affected by regional and local economic conditions, competitive conditions, local laws and regulations, and general real estate market conditions, including the supply, proximity, and amenities of apartment communities and retail dining establishments in the area.

Limited Obligations of the Issuer

The Series 2025 Bonds constitute limited and special obligations of the Issuer and have three potential sources of payment. The sources of payment are as follows:

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

The Issuer has no obligation to pay the Series 2025 Bonds except from the related Trust Estate, including Basic Loan Payments derived from the Loan Agreement. See (THE SERIES 2025 BONDS—Pledge and Assignment of Trust Estate” herein. The Series 2025 Bonds, together with interest and premium, if any, thereon, will not be or constitute general obligations or indebtedness of the State, the University, the University Board, or any other political subdivision of the State, but will be limited obligations of the Issuer. Neither the faith and credit nor the taxing power of the State, or any other agency or political subdivision thereof, including the Issuer, is pledged to the payment of the Debt Service Payments on the Series 2025 Bonds, and the owners of the Series 2025 Bonds, will not have the right to compel any exercise of the taxing power of the State, or any other political subdivision of the State, including the Issuer, to pay the Series 2025 Bonds, any premium thereon, or the interest thereon. The Borrower will be required to make Basic Loan Payments (the interest in which the Trustee has received by assignment from the Issuer) to the Trustee in amounts sufficient to enable the Trustee to pay the Debt Service Payments on the Series 2025 Bonds. See “APPENDIX E—LOAN AGREEMENT” and “APPENDIX F—TRUST INDENTURE” in hereto. The Basic Loan Payments will be derived solely from operation of the Series 2025 Project and the Base Rent received from the University pursuant to the Sublease. See “SUBLEASE” herein.

Furthermore, the Borrower’s ability to meet its obligations under the Loan Agreement will depend upon achieving and maintaining certain occupancy levels at the Series 2025 Project throughout the term of the Series 2025 Bonds. However, no assurance can be made that the Borrower will generate sufficient revenues from the Series 2025 Project to pay Debt Service Payments on the Series 2025 Bonds after payment of operating expenses of the Series 2025 Project.

(b) Revenues received from operation of the Series 2025 Project by a receiver upon a default under the Indenture.

It has been the experience of lenders in recent years that attempts to have a receiver appointed to take charge of properties with respect to which loans have been made are frequently met with defensive measures such as the initiation of protracted litigation and the initiation of bankruptcy proceedings. Such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. See “CERTAIN BONDHOLDERS’ RISKS—Enforceability of Remedies” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2025 Bonds in accordance with their terms are largely dependent upon Basic Loan Payments from the Borrower described in Paragraph (a) above, which are wholly dependent upon the success of the Borrower in the operation of the Student Housing Facilities portion of the Series 2025 Project and payments of Base Rent by the University.

(c) Proceeds realized from the sale or lease of the Borrower’s interest in the Series 2025 Project to a third party by the Trustee at or following foreclosure by the Trustee of the Leasehold Mortgage and proceeds realized from the liquidation of other security for the Series 2025 Bonds.

Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders’ efforts to foreclose on interests in real property or otherwise to realize upon collateral to satisfy indebtedness that is in default. Such defensive measures can prevent, or greatly increase the expense and time involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Series 2025 Project upon foreclosure due to the special purpose nature of a student housing facility, and the proceeds of such sale may not be

sufficient to pay fully the owners of the Series 2025 Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Enforceability of Remedies” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2025 Bonds in accordance with their terms are largely dependent upon the Basic Loan Payments described in Paragraph (a) above, which are wholly dependent upon the success of the Series 2025 Project. Even if the Series 2025 Project is operating in an efficient manner, other factors could affect the ability of the Borrower to make Basic Loan Payments under the Loan Agreement. The Borrower also may become engaged in other ventures in the future.

Limited Resources

The Borrower has no substantial revenues or assets other than the facilities financed with the proceeds of the Series 2025 Bonds. Furthermore, the Series 2025 Bonds are secured only by the operations and assets of the Series 2025 Project and the Base Rent payments made by the University pursuant to the Sublease. Although the University is making a financial contribution for the debt service on the Series 2025 Bonds, neither the University nor the Foundation is liable for the payment of the principal of, premium, if any, or interest on the Series 2025 Bonds nor shall the University be responsible or liable for any other obligations of the Borrower or the obligations of any other party other than themselves in connection with the Series 2025 Bonds. Therefore, timely payment of debt service on the Series 2025 Bonds will be dependent upon the Borrower’s ability to generate adequate revenues from the Student Housing Facilities portion of the Series 2025 Project and the Base Rent payments made by the University sufficient to pay such payments of principal of and premium, if any, and interest on the Series 2025 Bonds. If revenues are insufficient to pay the principal of and premium, if any, and interest on the Series 2025 Bonds, the Borrower likely will have no moneys or assets other than the Series 2025 Project from which to make such payments. In addition, the Borrower’s ability to pay the principal of and interest on the Series 2025 Bonds may be adversely affected by its contractual obligations with respect to the Series 2025 Bonds and the Series 2025 Project, including requirements for payment by the Borrower pursuant to indemnity obligations under the project and financing documents.

Required Occupancy Levels and Rents

In order for the Borrower to generate sufficient revenues to enable it to make the payments at the times required under the Lease Agreement, the Student Housing Facilities portion of the Series 2025 Project must meet certain occupancy and use levels and achieve certain rents. There can be no assurance, however, that the Student Housing Facilities will be able to meet and maintain such required occupancy, use and rent levels. Although the University has agreed under the terms of the Sublease to make Base Rent payments in an amount necessary for the payment of the portion of the debt service on the Series 2025 Bonds allocable to the Related Facilities, the economic feasibility of the Student Housing Facilities and their ability to provide revenues to the Borrower sufficient to make payments on the Series 2025 Bonds depends on the Student Housing Facilities, when completed, achieving the forecasted level of occupancy and use and continuing to be substantially occupied and used by students who are financially capable of paying the full amount of the student rents and fees.

Special Use Nature of the Series 2025 Project

The Series 2025 Project will be constructed to serve as student housing facilities, dining facilities, health and recreational facilities, and parking facilities and are located on the University’s campus. If it were necessary to sell the Borrower’s interest in the Ground Lease pursuant to the Leasehold Mortgage upon an Event of Default, the special use nature of the Series 2025 Project and the fact that the interest to be sold is in the nature of a leasehold interest and subject to the terms of the Ground Lease may curtail the purchase price that could be obtained, and the net proceeds received may be less than the principal amount

of Series 2025 Bonds Outstanding. For all practical purposes, payment of the Series 2025 Bonds will be almost solely dependent upon the continued operation of the Series 2025 Project, in addition to the Base Rent made by the University pursuant to the Sublease.

Risks Associated With the Ground Lease

Neither the Issuer nor the Borrower will have fee title to the Property. Instead, the Borrower will lease the Property from the University pursuant to the Ground Lease. The Borrower's obligation to comply with the terms of the Ground Lease and to relinquish any claim to the Series 2025 Project upon the termination of the Ground Lease will likely render the Series 2025 Project less valuable to prospective purchasers upon foreclosure. See "THE GROUND LEASE" herein.

Insurance and Legal Proceedings

The Borrower will carry property and general liability insurance in amounts believed by the Borrower to be adequate and consistent with industry practices. However, there can be no assurance that any current or future claims will be covered by or will not exceed applicable insurance coverage. See "APPENDIX E—LOAN AGREEMENT" hereto.

Although the Borrower will be required to obtain and maintain certain insurance against damage or destruction as set forth in the Ground Lease, there can be no assurance that the Series 2025 Project will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Series 2025 Project cannot generate revenues, will not exceed the coverage of such insurance policies.

If the Series 2025 Project or any portion of the Series 2025 Project is damaged or destroyed, or is taken in a condemnation proceeding, funds derived from proceeds of insurance or any such condemnation award for the Series 2025 Project must be applied as provided in the Lease Agreement to restore or rebuild the Series 2025 Project or to redeem the Series 2025 Bonds. There can be no assurance that the amount of funds available to restore or rebuild the Series 2025 Project or to redeem the Series 2025 Bonds will be sufficient for that purpose, or that any remaining portion of the Series 2025 Project will generate revenues sufficient to pay the expenses of the Series 2025 Project and the Borrower and the debt service on the Series 2025 Bonds remaining outstanding.

There are certain types of losses that are not insured or insurable, such as losses relating to certain types of water damage. Should such a catastrophic casualty occur, the Borrower would suffer a loss for which insurance benefits would not be available. Further, there can be no assurance that any current or future claims will be covered by or will not exceed applicable insurance coverage. See "CERTAIN BONDHOLDERS' RISKS—Hurricanes and Other Natural Disasters" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS—Title and Property Insurance" in that regard. No casualty will entitle the Borrower to any postponement, abatement, or diminution of the Basic Loan Payments. See "APPENDIX E—LOAN AGREEMENT" hereto.

Competition; Geographic Concentration

The student housing industry is highly competitive. Such competition may inhibit the extent to which the Borrower will be able to increase rates and charges and maintain or increase occupancy of the Series 2025 Project. Competing organizations may offer newer or different projects, amenities, or services and thereby attract residents who are current or potential residents of the Series 2025 Project. Either the Developer or, under certain circumstances, the University may acquire or develop additional student housing facilities that compete with the Series 2025 Project. See "THE GROUND LEASE." Further, the

occupancy rates of the Series 2025 Project may be adversely affected by regional and local economic conditions, competitive conditions, local laws and regulations, and general real estate market conditions, including the supply, proximity, and amenities of apartment communities in the area of the University.

Government Regulation

The housing industry is significantly regulated by the federal and local government. Regulations and conditions affecting the acquisition, development, and ownership of residential real estate, including local zoning and land use issues, environmental regulations, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1988, and general conditions in the market, could increase the operating expenses of the Series 2025 Project or could otherwise have a material adverse effect on the operation thereof.

Shifting Political Landscape, Legislative, Budget and Federal Policy Risk

Federal policies on the federal debt ceiling, taxes, foreign trade and tariffs, immigration, climate change, clean energy, health care and other topics can shift dramatically from one administration to another. From time to time, such changes can result in dramatic shifts in the level of federal funding for various policy priorities, leading to unpredictability in future federal funding. A heightened level of uncertainty in Federal funding over the next several years is expected due to the change in federal administration.

The evolving priorities and policies of any new administration may have a significant effect on the higher education industry. For example, shifts in leadership at executive agencies such as the Department of Education, and the creation of temporary executive commissions such as the Department of Government Efficiency, may create uncertainty for higher education providers. The imposition of tariffs on materials, products and equipment may create supply chain issues which could materially increase costs and adversely affect operations of the Series 2025 Project. Legislation is periodically introduced in the United States Congress and in the Florida state legislatures that could adversely affect the business or financial condition of the Series 2025 Project. In addition to legislative proposals specifically discussed herein, examples of legislative proposals that could have an adverse effect on the Series 2025 Project if they were to become law include: (1) any changes in the taxation of nonprofit corporations or in the scope of their exemption from income or property taxes, (2) laws limiting the amount or availability of tax-exempt financing for corporations described in Section 501(c)(3) of the Code, (3) elimination of the exclusion of interest on tax-exempt bonds from gross income for all or some taxpayers, or (4) laws subjecting all or a portion of an Series 2025 Project's income to federal or state income taxes or other tax penalties. The scope and effect of future legislation cannot be predicted but may materially affect the Series 2025 Project's operation, financial condition or tax-exempt status. Additionally, the federal government, through legislation, has created a debt "ceiling" or limit on the amount of debt that may be issued by the United States Treasury. In the past several years, disputes have arisen within the federal government in connection with discussions concerning the authorization for an increase in the federal debt ceiling that in some cases have led to shutdown of substantial portions of the federal government and other federal budget authorization delays have occurred. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. Any failure by Congress to increase the federal debt limit may impact the federal government's ability to incur additional debt and pay its existing debt instruments. This may include satisfying its obligations to pay grants and provide federal funding, if any. Additionally, the market price or marketability of the Series 2025 Bonds in the secondary market may be materially adversely impacted by any failure of Congress to increase the federal debt limit.

Tariffs

The imposition of tariffs or the increase in existing tariffs could significantly increase the cost of imported goods, including steel or other materials that may be required for construction of the Series 2025 Project, potentially leading to higher construction prices and increasing the risk that the Series 2025 Project cannot be completed within budget. The imposition of tariffs could also disrupt the global supply chain and require the Developer to identify and use alternative supplies and/or suppliers, if any exist. In March 2025, the Trump administration imposed a 25% tariff on all steel and aluminum imports to the United States. The Trump administration has also imposed tariffs on other imported goods from various countries; in some cases the tariffs have been announced and then reduced, canceled or delayed. It is impossible to predict what tariffs will be imposed by the United States or upon what goods and/or countries; however, investors should be aware that the costs of construction could increase significantly from what is currently anticipated.

Risks of Construction

On the basis of the Developer's representation, management of the Borrower believes that the proceeds of the Series 2025 Bonds will be sufficient to complete the Series 2025 Project; however, the cost of construction of the Series 2025 Project and the timing for the Series 2025 Project to be placed in service may be affected by factors beyond the control of the Borrower, including strikes, material shortages, adverse weather conditions, subcontractor defaults, delays, and unknown contingencies.

The Design-Build Agreement between the Developer and the Design-Builder (as defined herein) will obligate the Design-Builder to complete the Series 2025 Project within a specified time for a stipulated sum. See "THE DEVELOPER AND THE DEVELOPMENT AGREEMENT—The Development Agreement— *Stipulated Sum; Development Fee*" herein. The cost of the Series 2025 Project may be increased, however, if made pursuant to a Change Order (as defined in the Development Agreement). The Development Agreement requires the Design-Builder to utilize Subcontractor Default Insurance for the Series 2025 Project regarding certain unenumerated subcontractors in the Development Agreement. However, Subcontractor Default Insurance is a complex insurance program and there can be no assurance that the obligations and coverage under such insurance program will be adequate or that it can be enforced without costly and time-consuming litigation or other forms of dispute resolution.

The proceeds of the Series 2025 Bonds will include funds to pay interest on the Series 2025 Bonds during the construction of the Series 2025 Project and for a period of approximately six months after the scheduled completion date; however, failure to complete the Series 2025 Project in a timely fashion might impair the Borrower's ability to generate sufficient revenues from the operation of the Series 2025 Project to pay its operating expenses and principal of and interest on the Series 2025 Bonds. If such delays are significant, potential residents may opt to seek alternate housing arrangements, and students who have signed up to occupy the Series 2025 Project will be required to be provided temporary housing, which may create additional expenses and costs.

If cost overruns resulting from delays or other causes are experienced, the Developer will be obligated, subject to force majeure and eminent domain, to complete the Series 2025 Project at its own expense, except for any cost change made pursuant to a Change Order (as defined in the Development Agreement). To the extent that construction is delayed or halted due to acts of force majeure or eminent domain, neither the Issuer, the University, the Borrower, nor the Design-Builder will have any obligation to provide for such completion. In the event the Series 2025 Project is not completed, the only meaningful security for the owners of the Series 2025 Bonds would be the right to foreclose under the Leasehold Mortgage on the Borrower's interest in the uncompleted Series 2025 Project. While the Indenture permits the Issuer to issue Additional Bonds to complete the Series 2025 Project, the Issuer is not obligated to issue

such Additional Bonds and there can be no assurance that a purchaser for such Additional Bonds could be obtained.

Additionally, the Development Agreement will require the Developer to furnish or cause the Design-Builder to obtain payment and performance bonds; however, there can be no assurance that the obligations of the surety under such bonds can be enforced timely or without costly and time-consuming litigation. Further, the guarantees provided for by the Guarantor (as defined herein) to the Borrower under the Guaranty Agreement (as defined herein) could be delayed to the extent that the Borrower must first, pursuant to the Guaranty Agreement, use commercially reasonable efforts to seek to recover proceeds of insurance or payment or performance bonds contemplated by the Development Agreement. It is unclear what adverse impact any delays regarding the enforcement of such insurance claims or payment or performance bonds would have on the construction of the Series 2025 Project and, ultimately, repayment of the Series 2025 Bonds. See “THE DEVELOPER AND THE DEVELOPMENT AGREEMENT—The Development Agreement—*Payment and Performance Bonds* and *Limitation of Guaranty*” herein.

University As Manager of the Related Facilities; Reliance on Third-Party Providers

On-going management of the Related Facilities portion of the Series 2025 Project will be dependent on the efforts of the University as manager thereof. The University will supervise the operation and management of the Related Facilities portion of the Series 2025 Project and the Borrower will be relying on the experience and expertise of the University, including any third-party providers, to supervise such operation and management.

No assurance can be given that the University, including any third-party providers, can continue to successfully manage and operate the Related Facilities. A failure by the University as the management company for the Related Facilities may have an adverse effect on ability of the Related Facilities to operate and could negatively impact occupancy levels, the Series 2025 Project as a whole, and thus the revenues of the Borrower.

Hurricanes and Other Natural Disasters

The Series 2025 Project is located in southeast Florida and in Palm Beach County, Florida, an area that is approximately one mile inland from the Atlantic Ocean and on the Lake Worth Lagoon. The coast is generally susceptible to hurricanes, severe weather disturbances, and floods. Pursuant to the FEMA Flood Zone Map, accessed on May 19, 2025, the property where the Series 2025 Project is to be built is categorized as Zone “X” for the 2024 Flood Zone. Per the FEMA Flood Zone Lookup website Zone “X” represents “areas outside the 500-year floodplain with less than 0.2% annual probability of flooding (formerly Zone C).” Even though the Series 2025 Project is being constructed to hurricane code, the occurrence of such natural events could damage the University and the Series 2025 Project and/or the local infrastructure that provides essential transportation and utilities services to the University and the Series 2025 Project. No assurance can be given as to whether future natural events will occur that could materially impair the Borrower’s ability to generate revenues and make timely payment under the Loan Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS—Title and Property Insurance” for a brief description of the insurance coverage expected to be carried both during construction and upon completion of construction with respect to named storms.

Clean-Up Costs and Liens Under Environmental Statutes

In anticipation of the issuance and delivery of the Series 2025 Bonds, GDC retained Langan Engineering and Environmental Services, LLC, (the “Environmental Engineer”), to conduct a Phase I

environmental site assessment, dated as of March 4, 2025 (the “Phase I Assessment”), of the Property. In the Phase I Assessment, the Environmental Engineer identified one recognized environmental condition, as defined by the American Society of Testing and Materials (ASTM) associated with the Property due to the historical operations of the Property. The Property was once occupied by a printing company in the 1960’s and 1970’s and paint stores in the 1990’s. Printing and paint businesses have typically used cleaning solvents and other hazardous materials. Although handling of such hazardous materials is unknown, due to the years of operation of such businesses pre-dating environmental regulations, the potential release of hazardous materials is considered to be a recognized environmental condition. In light of the findings in the Phase I Assessment, a Phase II Environmental Site Assessment was performed, and the Environmental Engineer prepared a Phase II Environmental Report dated April 4, 2025 (the “Phase II Assessment” and together with the Phase I Assessment, the “Site Assessment”). Soil samples and groundwater was collected on the Property to be tested for potential contaminants associated with the findings from the Phase I Assessment and it was concluded that no concentrations of the contaminants tested for were detected which would exceed their respective soil cleanup target levels and groundwater cleanup target level presented in Chapter 62-777 of the Florida Annotated Code. Prospective purchasers of the Series 2025 Bonds may obtain a copy of the Site Assessment from the Underwriter; however, prospective purchasers of the Series 2025 Bonds may not rely upon the findings contained in the Site Assessment or upon any action or undertaking of the Developer in connection therewith.

The Borrower is not aware of any enforcement actions currently in process with respect to any potential releases of pollutants or contaminants at the Property. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Borrower could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Property. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Trustee’s lien on behalf of the Bondholders could attach to the Series 2025 Project, which would adversely affect the Trustee’s ability to realize value from the disposition of the Borrower’s interest in the Series 2025 Project upon foreclosure of the Leasehold Mortgage. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Series 2025 Project under the Indenture, the Trustee and the Bondholders would need to take into account the potential liability of any tenant of the Series 2025 Project, including a tenant by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Future Pandemics or Epidemics

Due to an outbreak of a recent pandemic, and actions taken by federal, state and local governments in response thereto, materially adversely impacted commerce, travel and financial markets both domestically and globally. The outbreak of any future pandemics or epidemics and the actions taken in response thereto may also have a material adverse impact, on commerce, travel and financial markets both domestically and globally. Thus, such pandemics or epidemics may have a material adverse impact on global, regional and local economic conditions as well as on the higher education landscape in general and may adversely affect the financial condition and operations of the University, including the Series 2025 Project.

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

Under the Security Agreement, the Borrower will, subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in (i) the Equipment; (ii) the Pledged Revenues; (iii) the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s ownership or operation of the Project; (iv) the Inventory; (v) any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses and

permits affecting the Project; and (vi) all proceeds of any of the foregoing. Nevertheless, certain interests and claims of others may be on a parity with or prior to the grant of security interest made in the Loan Agreement and/or Security Agreement and in the Indenture and certain statutes and other provisions may limit the Borrower's and the Issuer's rights to make such pledges, assignments, and/or grants of security interests. Examples of such claims, interests, and provisions are:

- (a) statutory liens;
- (b) the Florida Uniform Commercial Code may not recognize a security interest in future revenues derived from the Project;
- (c) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction;
- (d) federal bankruptcy laws as they affect amounts earned with respect to the Project after any effectual institution of bankruptcy proceedings by or against the Borrower or the Issuer;
- (e) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee;
- (f) items not in possession of the Trustee, the records to which are located or moved outside the State of Florida, which are thereby not subject to or are removed from the operation of Florida law; and
- (g) the requirement that appropriate continuation statements be filed in accordance with the Florida Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The practical realization of value upon any default under the Bond Documents will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Bond Documents may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Bond Documents. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Effect of Determination of Taxability

The Borrower will covenant not to take any action that would cause the Series 2025 Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the Series 2025 Bonds. The Borrower and the Corporation will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2025 Bonds to become subject to federal income taxation retroactively from the date of issuance of the Series 2025 Bonds.

It is possible that a period of time may elapse between the occurrence of the event that causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the Series 2025 Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of Series 2025 Bonds are subject to possible adverse tax consequences. See “TAX MATTERS” herein.

No Rating for the Series 2025B Bonds

The Series 2025B Bonds are not rated by any rating agency. Typically, unrated bonds lack liquidity in the secondary market. Because of the lack of credit rating, holders of the Series 2025B Bonds may not be able to sell their Series 2025B Bonds in the secondary market. Any prospective purchaser of the Series 2025B Bonds should undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2025B Bonds and should plan to hold the Series 2025B Bonds to maturity, unless redeemed at an earlier date pursuant to the Indenture. See also “—Transfer Restrictions” below.

Secondary Market for the Series 2025 Bonds

The Underwriter will not be obligated to repurchase any of the Series 2025 Bonds and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Series 2025 Bonds, and no assurance can be given that initial offering prices for the Series 2025 Bonds will continue for any period of time. Any prospective purchaser of the Series 2025 Bonds, therefore, should undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2025 Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Series 2025 Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Series 2025 Bonds that does not intend or that is not able to hold the Series 2025 Bonds for a substantial period of time is advised against investing in the Series 2025 Bonds. See also “—Transfer Restrictions” below.

Actual Results May Differ From Market Study and Cash Flow Projection

The Market Study and its projection of future demands included as Appendix C hereto, and the Cash Flow Projection and its projections of future revenues and expenses with respect to the Series 2025 Project included as Appendix D hereto and with respect to the Series 2025 Project, are based upon assumptions concerning future events, and circumstances. The Market Study should be read in its entirety. The achievement of any results of the Market Study, the Cash Flow Projection, or other projection is dependent upon future events, the occurrence of which cannot be assured. Realization of the results projected will depend, among other things, on the implementation by the University of policies and procedures consistent with the assumptions. Future results will also be affected by events and circumstances beyond the control of the Borrower. For the reasons described above, it is likely that the actual results of the Series 2025 Project will be different from the results projected in the Market Study and the Cash Flow Projections included herein, and those differences may be material and adverse.

Forward Looking Statements

This Limited Offering Memorandum, including but not limited to the information contained in the Market Study and the Cash Flow Projection, contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words “estimate,” “projection,” “intend,” “expect,” and similar

expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include: (a) the ability to market the Series 2025 Project, (b) the ability of the Series 2025 Project to maintain substantial occupancy at projected increased rent levels of the Series 2025 Project, (c) the ability of the residents of the Series 2025 Project to meet their financial obligations, (d) lower than anticipated revenues, (e) higher than anticipated operating expenses, (f) litigation, (g) changes in governmental regulation, (h) loss of federal tax-exempt status of the Borrower, (i) loss of any full or partial local property tax exemption, if any (j) changes in demographic trends, (k) competition from other residential rental projects, (l) changes in the student housing industry, (m) the compliance with the University of its obligations under the Sublease, and (n) general economic conditions. No representation or assurances can be made that revenues will be generated from the operation of the Series 2025 Project in amounts sufficient to pay maturing principal and interest on the Series 2025 Bonds.

Additional Bonds

The Issuer has the right to issue Additional Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2025 Bonds. See “ADDITIONAL BONDS” herein and “APPENDIX F—TRUST INDENTURE” hereto. SUCH ADDITIONAL BONDS COULD DILUTE THE SECURITY FOR THE SERIES 2025 BONDS.

Consequences of Changes in the Corporation’s Tax Status

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

The Borrower will covenant to cause the Corporation to remain eligible for such tax-exempt status and to avoid operating the Series 2025 Project as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Series 2025 Project to remain so qualified or of the Borrower so to operate the Series 2025 Project could affect the funds available to the Borrower for payments under the Loan Agreement by subjecting the Corporation and the Borrower to federal income taxation and could result in the loss of the excludability of interest on the Series 2025 Bonds from gross income for purposes of federal income taxation. Potential investors should note that in such event, the provisions of the Indenture relating to a Determination of Taxability may be applicable. See “CERTAIN BONDHOLDERS’ RISKS—Effect of Determination of Taxability” above.

Taxation of Series 2025 Bonds

An opinion of Bond Counsel will be obtained as described under “TAX MATTERS” herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the Series 2025 Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “TAX MATTERS.” Failure by the Issuer, the Borrower and the University to comply with certain provisions of the Code and covenants contained in the Indenture, the Loan Agreement, and the

Tax Agreement could result in interest on the Series 2025 Bonds becoming includable in gross income for federal tax purposes.

Each purchaser of the Series 2025 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2025 Bonds in a particular state or local jurisdiction.

Transfer Restrictions

The Series 2025 Bonds may not be registered in the name of, or transferred to, any person or beneficial owner except a Qualified Institutional Buyer. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Series 2025 Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Series 2025 Bonds that does not intend or that is not able to hold the Series 2025 Bonds for a substantial period of time is advised against investing in the Series 2025 Bonds.

Book-Entry System

The Series 2025 Bonds will be represented by one or more certificates registered in the name of Cede & Co., the nominee for DTC, and will not be registered in the names of the beneficial owners of such Series 2025 Bonds or their nominees. Because of this, unless and until definitive securities are issued, Beneficial Owners of such Series 2025 Bonds will not be recognized by the Trustee as “registered owners.” Hence, until definitive securities are issued, Beneficial Owners of such Series 2025 Bonds will only be able to exercise the rights of Registered Owners indirectly through DTC and its participating organizations.

Risk of Audit by Internal Revenue Service

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

No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Series 2025 Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Bondholders may have no right to participate in such procedure. Neither the Underwriter nor Bond Counsel will be obligated to defend the tax-exempt status of the Series 2025 Bonds. Neither the Issuer nor Bond Counsel will be responsible to pay or reimburse the cost of any Bondholders with respect to any audit or litigation relating to the Series 2025 Bonds.

THE DEVELOPER AND THE DEVELOPMENT AGREEMENT

The following section briefly describes the Developer and the Development Agreement. The summary of the Development Agreement is not a complete recital of the terms of thereof and is qualified in its entirety by the terms of the Development Agreement. The form of the Development Agreement is available upon request from the Underwriter. Capitalized terms used in the following summary and not defined therein have the meanings set forth in the Development Agreement.

General

PBAU DevCo LLC, a Florida limited liability company (the “Developer”), is the developer of the Series 2025 Project. Gilbane Development Company, a Rhode Island corporation (as previously defined “GDC”) is a majority owner of the Developer. GDC is the real estate development, investment, and

property management arm of Gilbane, Inc., which Gilbane, Inc. was founded in 1870 and is one of the largest privately held, family-owned construction and real estate development firms in the industry. GDC has developed a wide range of real estate projects across multiple markets throughout the United States, including multifamily (affordable, student housing, market rate), residential communities, mix-used developments, garage/parking areas, corporate headquarters, healthcare facilities, research and development and manufacturing facilities, and many types of facilities delivered through public-private partnerships. GDC was named a “Top 10” student housing developer by Student Housing Business in 2022. As of the present date, GDC and its affiliates have developed or been awarded the development of over 100 student housing facilities, consisting of more than 50,000 beds.

Key Personnel

Geoff Eisenacher, Vice President, Development. Geoffrey Eisenacher is a Vice President of Development at GDC, where he coordinates all phases of campus engagement, program development and partnership delivery, in addition to research and identification of strategic partnerships that will best support the company’s expansion and growth. Mr. Eisenacher has more than 29 years of experience with public-private partnerships, higher education, student housing, and campus infrastructure, including \$3.5 billion in student housing development, acquisition, and operations for higher education institutions across the United States. Mr. Eisenacher’s expertise enables GDC to maximize its strategic impact and business objectives and was instrumental in Eastern Michigan University’s decision to select GDC to lead a transformative 35-year, \$212 million campus housing modernization initiative—a project for which Mr. Eisenacher oversees all development, financial structuring, and ongoing operational oversight. Mr. Eisenacher’s knowledge and expertise of real estate development/finance, student affairs and campus housing, alongside his knowledge of the macro higher education industry, strongly support long-term fiscal sustainability and operational success for our campus partners. Prior to joining GDC in 2019, Geoff led the creation of several groundbreaking public-private partnerships to design, build, renovate, and manage student housing for the University System of Georgia and Wayne State University, and led other higher education projects.

Jeffrey Resetco, Senior Development Director. Jeffrey Resetco is a Senior Development Director at GDC, where he co-leads a national student housing platform from the company’s Arlington, Virginia office. Mr. Resetco’s scope of responsibility includes design development and construction oversight in GDC’s partnership with Eastern Michigan University, implementing the university’s “Welcome Home Plan,” a transformative three-year, \$212 million campus housing initiative. Mr. Resetco has nearly twenty-five years of experience in collegiate housing, multifamily residential, hospitality, and mixed-use development. Mr. Resetco’s skills strengthen GDC’s ability to achieve its most important national long-term objectives, through a variety of transactional structures that includes joint venture and public-private partnership structures. Prior to joining GDC, Mr. Resetco was a senior director with EdR/Greystar, where he oversaw development of public-private partnership student housing on university campuses and award winning off-campus developments, including graduate student housing at Johns Hopkins Medical Institute, the Storrs Center mixed-use development at the University of Connecticut, the Campus Village at the University of South Carolina, and graduate student housing at Duke University. Previously Mr. Resetco was a senior associate at IBI Group - Gruzen Samton Architects managing major educational and multifamily projects in New York and New Jersey.

The Development Agreement

The Series 2025 Project and the Work. Pursuant to the Development Agreement, the Developer will complete the design, development, and construction, furnishing, and equipping (to the extent set forth in the Final Plans) of the Series 2025 Project. In exchange for the Stipulated Sum (described below), the Developer shall perform the Work. As defined in the Development Agreement, the “Work” means all

professional design and engineering services and construction and project administration services to complete the Series 2025 Project in accordance with the Contract Documents (as defined in the Development Agreement) and no later than the Guaranteed Date (as defined in the Development Agreement) for the Series 2025 Project as depicted in the construction schedule for the Series 2025 Project attached to the Development Agreement (each, a “Project Schedule” and collectively, the “Project Schedules”), that includes all labor necessary to construct the Series 2025 Project, and all materials and equipment to be incorporated in the Series 2025 Project.

As part of the Work, the Developer will (a) advise the Borrower and negotiate and obtain, subject to the Borrower’s final approval, all governmental and private approvals required in connection with developing and constructing the Series 2025 Project; (b) negotiate and, subject to Borrower’s review and approval (which approval shall not be unreasonably withheld, conditioned or delayed), enter into an AIA Document A141 – 2014 Standard Form of Agreement Between Developer and Design-BUILDER (the “Design-Build Agreement”) pursuant to which the Design-BUILDER will assist Developer with providing all of the architectural, engineering, design and construction services for the Series 2025 Project, which Design-BUILDER may hire subcontractors for construction of certain Work for the Series 2025 Project; and (c) cause Design-BUILDER to engage the Architect to provide architectural and design services for the Series 2025 Project, and provide other professionals to perform all other professional services required for the design and construction of the Series 2025 Project.

Construction Timetable. The Developer will cause Substantial Completion for each component of the Series 2025 Project to occur on or before July 31, 2027, as may be adjusted pursuant to the terms and conditions of the Development Agreement (the “Guaranteed Date”). In performing the Work, the Developer will achieve the milestone dates set forth in the Project Schedule attached as Exhibit D to the Development Agreement so that the Substantial Completion Date for each component of the Series 2025 Project will occur on or before the Delivery Date. Time will be of the essence as to the Delivery Date. The Series 2025 Project Schedule may be updated by the Developer every four (4) weeks in accordance with the progress of the Work for the Series 2025 Project, and copies of such updates will be promptly furnished to the Borrower and the University; it being expressly understood, however, that such updates may not extend the Guaranteed Date, except pursuant to the Development Agreement. The Developer will give the University and the Borrower written notice promptly, and in no event later than five (5) business days, after the Developer becomes aware of the occurrence of any delay to the Work for any component of the Series 2025 Project that is reasonably likely to cause its respective Substantial Completion Date to occur after the Construction Deadline (including, without limitation, any Force Majeure Event or any University Delay). Such notice will include: (i) a description of the event or condition causing the delay; (ii) an estimate of the expected duration of the delay; (iii) its anticipated impact on the Substantial Completion Date; and (iv) the Developer’s proposed actions, if any, to mitigate the delay. The Developer will use commercially reasonable efforts to mitigate the impact of the delay on the Construction Deadline and will keep the University and Borrower reasonably informed of its progress in doing so.

The Guaranteed Date may be extended only by reason of a Change Order approved and executed by the University and Borrower pursuant to the Development Agreement, including changes resulting from a University Delay, Materially Different Site Conditions, Differing Site Conditions or a Force Majeure Event. In the event of a Change Order, the Guaranteed Date shall be accelerated or postponed, if at all, only as set forth in such Change Order. “University Delay is defined in the Development Agreement to mean any delays in achieving Substantial Completion by the Guaranteed Date that is directly and actually caused by the acts or omissions of the University or the breach by the University of its obligations under the Contract Documents, including the University unreasonably withholding, delaying or conditioning its approval of any additions or changes to the Current Plans or approving the Final Plans or other documents or actions requiring the University’s approval under the Contract Documents (each, a “University Approval Delay”); provided, however, that withholding, delaying, or conditioning approval shall not be deemed

unreasonable if the approval requested by Developer: (i) is not consistent with the original design or purpose of the Series 2025 Project; (ii) would cause an increase in the Stipulated Sum; (iii) would result in a delay to the Guaranteed Date; or (iv) would otherwise violate applicable laws, regulations, or University standards.

Stipulated Sum; Development Fee. In consideration for Developer's performance of the Work, the Borrower shall pay to Developer the stipulated sum of \$191,849,682 ("Stipulated Sum") that includes a development fee of \$6,431,092 (the "Development Fee"). Any adjustments to the Stipulated Sum and Guaranteed Date shall be limited to changes in Legal Requirements that materially impact the scope, cost, or schedule of the Work, and shall be set forth in a Change Order executed in accordance with the Development Agreement. The Stipulated Sum is allocated between each component of the Series 2025 Project and broken-down to specific line items of the costs and expenses for each component of the Series 2025 Project as set forth on the Development Budgets attached as exhibits to the Development Agreement (the "Development Budget"). The Developer represents and warrants in the Development Agreement that the Stipulated Sum includes a reasonable contingency to address minor cost overruns, estimation errors, and anticipated risks in completing the Work. The Developer acknowledges and agrees pursuant to the Development Agreement that the Stipulated Sum is an all-inclusive, fixed amount that covers all costs and expenses necessary to complete the Work in accordance with the Contract Documents and Legal Requirements. Except for adjustments to the Stipulated Sum made in accordance with an approved Change Order, the Developer will be solely responsible for any costs that exceed the Stipulated Sum.

Development Fee. The Borrower will pay to Developer the Development Fee in accordance with the following schedule:

(a) Fifty percent (50%) of the Development Fee shall be paid in full on the date the Issuer issues the Series 2025 Bonds to the Borrower for the Project Financing that includes the applicable parties executing and delivering the Indenture, Loan Agreement and related financing documents together with the Development Agreement;

(b) Forty percent (40%) of the Development Fee shall be payable during construction on a monthly basis which amounts shall be paid in connection with Developer's monthly Payment Applications as provided in the Development Agreement; and

(c) The final ten percent of the Development Fee shall be payable upon Final Completion.

All payments of the Development Fee will not be subject to any retainage requirements set forth in the Development Agreement.

Payment and Performance Bonds. The Developer will obtain and maintain, or will cause the Design-Builder to cause its Subcontractors who are to complete material portions of the Work for the Series 2025 Project ("Material Subcontractors") to obtain and maintain, payment and performance bonds ("P&P Bonds") covering the faithful performance of such Work and the related payment obligations that arise under the applicable subcontracts between Design-Builder and the Material Subcontractors (each a "Material Subcontract"). Attached as Exhibit L to the Development Agreement is a schedule of the P&P Bonds to be obtained in connection with the Series 2025 Project covering the portions of the Stipulated Sum allocated to the Work to be performed by the Material Subcontractors for the Series 2025 Project and related payment obligations arising therefrom, including a list of the bid divisions and description of Work to be performed by the Material Subcontractors (collectively, the "Material Subcontractor Bonds"). The cost of the Material Subcontractor Bonds will be included in the Stipulated Sum for the Series 2025 Project. For the Material Subcontractor Bonds, the Design-Builder, as the primary obligee, will require the Material Subcontractors, as the principals, and the applicable sureties to execute and deliver dual obligee riders in

connection with the Material Subcontractor Bonds that name each of the Borrower, the Trustee, and the Developer as a dual or additional obligee. The applicable dual obligee riders shall be executed and delivered to the primary obligee and additional obligees prior to payment of the premiums for the Material Subcontractor Bonds. The Material Subcontractor Bonds shall be executed and issued by responsible sureties licensed in the State of Florida with an A.M. Best's rating of an A, XII or better that are acceptable to the Borrower, the Trustee, and the Developer. The Material Subcontractor Bonds will remain in effect for a period of not less than one (1) year following the later of (a) the date of Final Completion for the Series 2025 Project, or (b) the time required to resolve any items of incomplete Work or the payment of any disputed amount for the Series 2025 Project. The Material Subcontractor Bonds shall also (i) display the surety's bond number, and (ii) include a rider that expressly waives the surety's right to notice, waives any defense or rejection of a claim on the basis of a modification of any sort to the portion of the Work such P&P Bonds cover or the Development Agreement and requires the surety to remain obligated under such applicable Material Subcontractor Bonds to any successor, grantee or assignee of the Borrower. The Material Subcontractors will be responsible for communications to the sureties for the Material Subcontractor Bonds and the Developer, the Trustee, and the Borrower shall be included in all such communications, provided, however, the Developer, the Trustee, and the Borrower will have the right to communicate directly with all sureties. If the Developer, the Trustee, and/or the Borrower are named as an obligee or additional obligee under any of the Material Subcontractor Bonds, such Party will execute any dual or additional obligee riders required by the sureties and take the necessary actions in connection with any claims made against the Material Subcontractor Bonds including complying with all notice requirements and other conditions precedent of the Material Subcontractor Bonds. All of the Material Subcontractor Bonds will be delivered to the Borrower before any Work is permitted to commence on the Series 2025 Project and at the same time that the insurance certificates or policies, as applicable, are delivered. If a Material Subcontractor fails to cause their Material Subcontractor Bonds to be obtained as required by the Development Agreement, the Borrower, at its option, may obtain the same for any Material Subcontractors and deduct the cost thereof from any payments to be made by the Borrower under the Development Agreement.

Termination. If the Developer defaults or fails or neglects to carry out its Work in accordance with the Contract Documents, or if the Developer fails to perform any of its obligations or breaches any of its representations under the Development Agreement, the Borrower may give written notice of such default, which notice shall contain a reasonably detailed description of the alleged defaults. The Developer shall correct the defaults, failure or neglect within 30 days after being given such notice; provided, however, if the nature of such defaults, failure or neglect is such that they are not reasonably capable of being corrected within such 30 day period, the Developer shall be allowed a reasonable period of additional time (the "Developer Cure Period") to correct the defaults, failure or neglect so long as the Developer promptly commences and diligently pursues such corrections to completion, which Developer Cure Period shall in no event extend beyond 60 days. If the Developer fails to make such corrections within the Developer Cure Period, then the Borrower may, and without prejudice to any other remedy, (x) make good such deficiencies and cause the deduction of the cost thereof from any payment due the Developer or (y) with fifteen (15) days' notice, terminate the Development Agreement and take possession of the Property, of the Contract Documents and of all materials, equipment, tools and construction equipment and machinery thereon that were purchased with Project Financing or are in the process of being leased for the Series 2025 Project and, if the Borrower so chooses, finish the Work for the Series 2025 Project by whatever method the Borrower may deem expedient provided any replacement developer and contractors are approved in advance by the Borrower and the University and all such work is performed and completed in accordance with the Standard of Care, Contract Documents and Legal Requirements. In such event, the Developer shall cooperate with the Borrower to assign any contracts, leases, or purchase agreements for such materials or equipment to the Borrower or its designee. If the unpaid balance of the Development Fee exceeds the expense of finishing the Work, the excess will be paid to Developer, but if the expense of finishing the Work exceeds the unpaid balance of the Development Fee, the Developer will pay the difference to the Borrower within thirty (30)

day of written demand therefor and provided the Borrower delivers a reasonable accounting and invoices that sets forth the actual costs and expenses incurred by Borrower to complete the Work for any unfinished portions of the Series 2025 Project or otherwise cure any default of Developer under the Development Agreement.

The Developer acknowledges and recognizes that the Borrower is entitled to full and beneficial occupancy and use of the Series 2025 Project no later than the Guaranteed Date, and that The Borrower has made, or will make, important business commitments based upon Developer achieving Substantial Completion of the Series 2025 Project no later than the Guaranteed Date, as the Guaranteed Date may be extended by Change Orders executed pursuant to the Development Agreement, which may result from Force Majeure Event, Materially Different Site Conditions, Differing Site Conditions or University Delay. The Developer further acknowledges and agrees in the Development Agreement that if the Developer fails to achieve Substantial Completion of the Student Housing Facilities by the Guaranteed Date (and said failure to achieve Substantial Completion of the Student Housing Facilities by the Guaranteed Date was not due to a Force Majeure Event, Materially Different Site Conditions, Differing Site Conditions or University Delay), the Borrower will sustain extensive damages and serious loss as a result of such failure. If the Developer fails to achieve Substantial Completion of the Student Housing Facilities by the Guaranteed Date (as the same may be extended as permitted in this Agreement), then the Developer and the Borrower shall give the University prompt written notice thereof as soon as such fact is determined. In such case, the University shall be responsible for moving displaced Affected Residents (as such term is defined in the Ground Lease) into and out of available vacant units within the University's Housing System or, if no vacant units are available in the University's Housing System, into and out of off campus hotels or similar accommodations ("Temporary Housing"), and managing the living accommodations of the displaced Affected Residents in such Temporary Housing until such time as Substantial Completion of the Student Housing Facilities is completed. Displaced Affected Residents will remain responsible for the payment of all rent and fees pursuant to their housing agreements during the provision of any Temporary Housing. The Developer shall pay the liquidated damages set forth in the Development Agreement for each day until the displaced Affected Residents can take occupancy of his or her residential unit in the Student Housing Facilities (the "Liquidated Damages"). The Developer's obligation to pay Liquidated Damages will be as follows: the Developer will pay (i) on the first day for which Liquidated Damages are due under the Development Agreement for the first 300 beds in the Student Housing Facilities, an amount equal to \$100/bed per day for Affected Residents who were scheduled to move into their respective unit in the Student Housing Facilities, and on each day thereafter until Developer achieves Substantial Completion of the Student Housing Facilities, \$30/bed per day, and (ii) for the remaining 690 beds in the Student Housing Facilities, an amount equal to \$135/bed per day for Affected Residents who were scheduled to move into their respective unit in the Student Housing Facilities until Developer achieves Substantial Completion of the Student Housing Facilities. For the avoidance of doubt, Developer's obligation to pay Liquidated Damages shall only apply if the Developer fails to achieve Substantial Completion of the Student Housing Facilities by the Guaranteed Date. In no event will the Developer be required to pay any Liquidated Damages if Developer fails to achieve Substantial Completion of any other component of the Series 2025 Project (i.e., each component of the Related Facilities, respectively) by the Guaranteed Date.

Guaranty Agreement. Developer on the date of issuance of the Series 2025 Bonds will cause GDC (in such capacity, the "Guarantor") to execute and deliver a Guaranty Agreement (the "Guaranty Agreement"), by GDC in favor of the Borrower. Pursuant to the Guaranty Agreement, GDC will guarantee to Borrower, (a) the payment and performance of all of Developer's obligations under the Development Agreement, including, without limitation, the payment of each and all of Developer's liabilities and payment obligations under the Development Agreement when they or any part of them become due and owing according to the terms of the Development Agreement and Developer's obligation to indemnify and hold harmless Borrower pursuant to and in accordance with the Development Agreement (collectively, the "Performance Guaranty Obligations"); and (b) full, complete and punctual observance, performance, and

satisfaction of all of Developer's obligations, duties, covenants, and agreements with respect to the completion of the design, construction, equipping, and furnishing of the Series 2025 Project and completion of the Series 2025 Project in accordance with all requirements of the Development Agreement (the "Completion Guaranty Obligations," and together with the Performance Guaranty Obligations, collectively, the "Guaranteed Obligations"). If and whenever Developer defaults for any reason whatsoever in the payment, performance, or satisfaction of any of the Guaranteed Obligations and does not cure such default within any applicable cure periods Guarantor will forthwith upon written demand by Borrower unconditionally satisfy (or procure the satisfaction of) the Guaranteed Obligations in regard to which such default has been made as if the Guarantor instead of Developer were expressed to be primary obligor of the Development Agreement and not merely as surety (but without affecting Developer's obligations) in the manner prescribed by the Development Agreement and so that the same benefits will be conferred on Borrower as it would have received if the Guaranteed Obligations had been satisfied by Developer.

Limitation of Guaranty. Notwithstanding anything in the Guaranty Agreement or the Development Agreement to the contrary, the aggregate amount covered by the Guaranty Agreement will not exceed the sum of: (a) the Stipulated Sum and (b) Development Fee and (c) the Liquidated Damages. Payment and performance by Guarantor pursuant to the Guaranty Agreement will not be delayed pending any determination of any claims for or proceeds of any insurance or payment or performance bonds contemplated by the Development Agreement; provided, however, that Borrower will use commercially reasonable efforts to seek to recover proceeds of insurance or payment or performance bonds contemplated by the Development Agreement to the extent it is entitled thereto or has right to do so; provided, that (i) Borrower's inability to collect or recover any such proceeds will not limit Guarantor's obligations or Borrower's rights under the Guaranty Agreement, and (ii) Borrower will not be required to initiate, institute, or conduct any litigation or other legal action or proceeding with respect to collection or recovery of any such proceeds. In any case where the Borrower recovers under any insurance policy maintained or required to be maintained by the Developer pursuant to the Development Agreement or any payment or performance bonds contemplated by the Development Agreement, to the extent of any excess proceeds after application of such funds in accordance with the provisions of the Bond Documents (as defined in the Ground Lease) (net of any amounts expended by Borrower to collect such amount), with respect to any Guaranteed Obligations for which the GDC made a payment to the Borrower pursuant to the Guaranty Agreement, the Borrower shall promptly pay over to GDC such amount.

Design-Build Agreement. Developer will enter into the Design-Build Agreement with the Design-Builder pursuant to which the Design-Builder will assist Developer with providing all of the architectural, engineering, design and construction services for the Series 2025 Project. The Design-Builder may hire subcontractors for construction of certain Work for the Series 2025 Project in accordance and in compliance with the Ground Lease, the Development Agreement, and the other Contract Documents (as defined in the Development Agreement). The Design-Build Agreement establishes a guaranteed maximum price for the costs of the design and construction of the Series 2025 Project included within the scope of the Work under the Design-Build Agreement, subject to adjustment as provided in the Design-Build Agreement. The Stipulated Sum referenced in the Development Agreement includes the guaranteed maximum price under the Design-Build Agreement and the various soft costs required to complete the development, design and construction of the Series 2025 Project in accordance with the terms of the Development Agreement. Costs of the Work that cause the guaranteed maximum price under the Design-Build Agreement to be exceeded and which are not subject to being included in an adjustment to the guaranteed maximum price in accordance with the Design-Build Agreement will be paid by the Design-Builder without reimbursement by the Developer.

THE DESIGN-BUILDER

The Developer has retained as the Design-Builder, Gilbane Building Company, a Rhode Island corporation (the “Design-Builder”), pursuant to the Design-Build Agreement to design and construct the Series 2025 Project. The Design-Build Agreement will obligate the Design-Builder to design and construct the Series 2025 Project for a guaranteed maximum price subject to adjustment as provided in the Design-Build Agreement. Ranked the #4 Top Student Housing Construction Firm by Building Design + Construction in 2024, the Design-Builder has completed or has underway in the past 10 years 400+ higher education projects, of which 50+ are student housing projects. The Design-Builder has delivered more than 30,000 beds, including public-private partnership projects for Purdue University, Wayne State University, Howard University, and Morgan State University. The Design-Builder has partnered with the Gilbane Development Company on multiple similar student housing developments including Eastern Michigan University, Purdue Fort Wayne University, George Mason University, Rhode Island School of Design, and University of Rhode Island. Founded in 1870, Design-Builder is the global, comprehensive construction and facilities-related solutions arm of Gilbane, Inc. The Design-Builder has completed over 350 design-build projects.

THE ARCHITECT AND THE ARCHITECT’S AGREEMENT

The architect of record for the Series 2025 Project is Cube 3 Studio LLC, a Massachusetts limited liability company (the “Architect”), which has over 21 years of experience and is headquartered in North Andover, Massachusetts. The Architect is well-known nationally as a design industry and innovation leader—providing thoughtful, individualized solutions for a wide range of architecture. Pursuant to the Design-Build Agreement, the Design-Builder will enter into an AIA Document B143-2014 Standard Form of Agreement (the “Architect’s Agreement”), dated on or before the date of issuance of the Series 2025 Bonds, with the Architect and has engaged the Architect to provide architectural and design services for the Series 2025 Project, and provide other professionals to perform all other professional services required for the design and construction of the Series 2025 Project.

THE CONSTRUCTION MONITOR

Pursuant to the Development Agreement The Vertex Companies, LLC (the “Construction Monitor”) has been engaged to provide certain consulting and management services in connection with the construction of the Series 2025 Project, including, but not limited to, reviewing payment requests, approving Requisitions (as defined in the Development Agreement), and certifying as to the completion of Work. The fees for the services of the Construction Monitor are included in the Stipulated Sum and will be paid by the Developer to the Construction Monitor.

ASSIGNMENT OF CONTRACTS AND AGREEMENTS

The Borrower will, as security for the obligations of the Borrower to the Issuer under Loan Agreement and the Series 2025 Notes and subject to Permitted Encumbrances, grant to the Trustee a first priority security interest in all of its right, title, and interest in and to the Development Agreement, the Design-Build Agreement, and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project. In the event of a default by the Borrower under the Loan Agreement, the Trustee will be entitled to enforce performance of the Development Agreement, but will not be required to perform the obligations of the Borrower as set forth in such contract. In the event of a default by the Borrower under the Loan Agreement and a default by the Developer under the Development Agreement, the Trustee will be entitled to enforce performance of the Design-Build Agreement, and the Architect’s Agreement, but, unless the Trustee chooses to enforce performance of the Design-Build Agreement, will not be required to perform the obligations of the Developer as set forth in such contracts.

The Developer also will grant to the Borrower a first priority security interest in all of its right, title, and interest in and to the Design-Build Agreement, the Architect's Agreement (as assigned by the Design-Builder to the Developer), and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project. In the event of a default by the Developer under the Development Agreement, the Trustee will be entitled to enforce performance of the Development Agreement, but will not be required to perform the obligations of the Developer as set forth in such contract. In the event of a default by the Borrower under the Loan Agreement and a default by the Developer under the Development Agreement, the Trustee will be entitled to enforce performance of the Design-Build Agreement, and the Architect's Agreement, but, unless the Trustee chooses to enforce performance of the Design-Build Agreement, will not be required to perform the obligations of the Developer as set forth in such contracts.

THE MANAGER AND THE MANAGEMENT AGREEMENT

The following section briefly describes the Manager and the Management Agreement. The summary of the Management Agreement is not a complete recital of the terms of thereof and is qualified in its entirety by the terms of the Management Agreement. The form of the Management Agreement is available upon request from the Underwriter. Capitalized terms used in the following summary and not defined therein have the meanings set forth in the Management Agreement.

Manager

In accordance with the provisions of the Ground Lease, the Borrower will engage the University (the "Manager"), as the manager for the Student Housing Facilities pursuant to the Residential Management Agreement (the "Management Agreement"), to be dated as of the date of issuance of the Series 2025 Bonds, by and between the Borrower and the Manager.

Management Agreement

In the Management Agreement the University covenants to exercise reasonable prudence and diligence customarily exercised by managers of similarly situated student housing facilities in the State of Florida for the benefit of the Borrower and the University. Management of the Student Housing Facilities shall include customary services and practices performed for student housing and that will result in the Student Housing Facilities being operated, managed, and leased in the same manner as is customary and usual in the operation, management, and licensing of comparable student residential facilities owned and operated by the University. The University also agrees as Manager to employ the necessary staff to ensure that all of the University's responsibilities as set forth in the Management Agreement are successfully implemented.

In addition, the University agrees to provide, or cause to be provided, and to be responsible for, among other things, (a) the preparation of a marketing plan for the Student Housing Facilities and the supervision of all advertising layouts, brochures, campaigns, and model apartments; (b) the preparation on behalf of, and with the approval of, the Borrower of the Student Housing Facilities' operating budget describing in detail all of the revenue and expenses entailed in the operation and maintenance of the Student Housing Facilities and the submission of the same to the Project Operations Committee of the Borrower for their approval and Borrower's approval; (c) the preparation on behalf of, and with the approval of, the Borrower of a capital budget describing the source and use of funds necessary or appropriate to repair, replace, refurbish, remodel, or rehabilitate the Student Housing Facilities or any of its capital components and the submission of the same to the Borrower for its approval; (d) the implementation of the marketing program, the operating budget, and capital budget; and (e) the collection of all housing fees and other charges due for services provided in connection with the use or occupancy of the Student Housing Facilities, by or on behalf of the Borrower, as its agent.

The University agrees to collect student housing fees, deposits, charges and other amounts under the occupancy agreements in accordance with the University's then existing collection policies, as the agent for and on the Borrower's account, and the University agrees to deposit all student housing fees, deposits, charges and other amounts collected under the occupancy agreements as revenues in the Revenue Fund established under the Indenture within 20 days after the end of each month, based on receipts for that month, with the exception of collections from prior semesters which will be deposited within 30 days from receipt. Notwithstanding the foregoing, the University collects moneys from University students for tuition, fees and housing (which includes the Student Housing Facilities and other housing facilities at the University), and under University policy the University allocates, first, moneys to the payment of tuition and fees and, second, to the payment of housing expenses, including housing expenses for the Student Housing Facilities.

The Borrower will establish an Operating Account (the "Operating Account") for the payment of Expenses (as defined in the Loan Agreement). From the funds deposited in the Operating Account pursuant to the Indenture, the Borrower will pay all Expenses.

Additionally, following substantial completion of the Student Housing Facilities, within 20 days after the end of each calendar month in which revenues are first deposited into the Revenue Fund under the Indenture, the University agrees to provide to the Borrower all information regarding revenues billed and amounts collected by the University, along with outstanding uncollected revenues, necessary for the University to provide to the Borrower an accurate reporting of monthly revenues necessary to permit the Borrower to generate accurate financial statements for the Student Housing Facilities.

Under the Management Agreement, the University is anticipated to be compensated for its services provided thereunder as follows: A management fee ("Management Fee") will be payable to the University in the amount equal to 2.75% of gross operating revenues of the Student Housing Facilities payable in monthly installments. Seventy five percent (75%) of the Management Fee shall be paid in equal monthly installments, in arrears, on the 25th day of the following month (or the next business day) out of the Operating Account as an Expense of the Series 2025 Project. The remaining twenty-five percent (25%) of the Management Fee will be payable as a subordinated expense from the Surplus Fund prior to the payment of Ground Rent pursuant to the terms of the Indenture. In the event any compensation of Manager is deferred and not paid when due, the Borrower agrees to pay the University interest on such deferral at the average interest rate on the Series 2025 Bonds, until paid, and such deferred compensation will be due and payable in full no later than five (5) years from the date of such deferral unless Bond Counsel (as defined in the Loan Agreement) approves a deferral period of greater than five (5) years.

The University's overhead expenses, to the extent not included in the Annual Operating Budget, will be borne by the University out of its own funds and will not be treated as Expenses. Such overhead expenses may include (a) compensation of off-site personnel employed or contracted by the University; (b) rent for off-site offices utilized by the University; telephone and utility charges incurred at such offices; office supplies; rent for and repair and maintenance of office machines used at such offices; postage used at such offices; any rental for or allocation of depreciation or amortization of any properties owned by or leased by the University and used in performance of its duties under the Management Agreement; (c) premiums and deductibles associated with employee dishonesty insurance on the University's employees not associated with the Student Housing Facilities; and (d) premiums and deductibles for general liability, workers' compensation, or other such insurance carried by the University but not associated with the Student Housing Facilities.

Termination

The Management Agreement will take effect on the date of its execution and will have an initial term of 30 years, unless terminated earlier in accordance with the provisions thereof. The Management

Agreement will automatically renew for an additional 10-year period, unless the Manager is then in default under the Management Agreement.

Management of the Related Facilities

Pursuant to the Sublease, the Borrower acknowledges and agrees that the University will enter into one or more Management Agreements (and amendments, supplements and replacements thereof) for the operation and management of the Related Facilities for Residents, the University, students, faculty and employees of the University and their visitors, invitees and authorized representatives. Pursuant to a Management Agreement, the University may delegate the payment and performance of the University's obligations under the Sublease to the respective Operator under a Management Agreement, and, in such event, payment and performance by the Operator of the University's obligations under the Sublease will be deemed accepted by the Borrower as payment and performance by the University thereunder. Any Management Agreement other than the current management agreement with Aramark related to the operation of the dining facility component of the Series 2025 Project, entered into by the University with an Operator shall meet the "Qualified Management Contact" rules under Revenue Procedure 2017-13.

Aramark Contract. Pursuant to a Dining Services Management Agreement, dated as of March 31, 2020, as amended by the letter of understanding dated as of July 8, 2024, with the effective date of July 1, 2024 (the "Aramark Contract") by and between the University and Aramark Educational Services, LLC ("Aramark"), Aramark will be responsible for, amongst other things, the purchase and installation of food service equipment related to the dining component of the Related Facilities. The University intends to enter into a new contract with Aramark regarding services rendered specifically for the dining facility portion of the Series 2025 Project and to qualify such contract as a "qualified management contract" under Revenue Procedure 2017-13.

THE UNIVERSITY

The University is a Florida nonprofit corporation, exempt from federal income taxation as a charitable organization under Section 501(c)(3) of the Code. The University operates a four-year private liberal arts coeducational institution of higher learning and offers graduate and professional programs. The University was incorporated in 1968 and its Campus is located in downtown West Palm Beach, Florida. See "APPENDIX A - PALM BEACH ATLANTIC UNIVERSITY, INC." for a detailed description of the University.

THE BORROWER

The Borrower is a single-member limited liability company, duly organized and validly existing under the laws of the State of Florida. The Borrower was formed by the filing of its Articles of Organization with the Florida Secretary of State on January 30, 2025, to further the stated charitable purposes of Provident Resources Group Inc. (the "Corporation"), a Georgia nonprofit corporation and an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code. Specifically, the Borrower is organized exclusively for the purpose of promoting and advancing education through the financing, designing, developing, constructing, equipping, furnishing and owning of the Series 2025 Project, along with associated site development and various related amenities and improvements to be located on the University's campus, exclusively for the benefit and support of the University and its students, faculty and staff, and assisting and otherwise supporting the educational mission of the University.

The Borrower is treated as a "disregarded entity" of the Corporation for federal income tax purposes, meaning that its activities are deemed to be those of its sole member for federal income tax

purposes. The Corporation is an organization described in Section 501(c)(3) of the Code, exempt from federal income tax under Section 501(a) of the Code (except from unrelated business income tax imposed pursuant to Section 511 of the Code). The Corporation is not a “private foundation” as defined in Section 509(a) of the Code. The charitable activities of the Corporation are primarily conducted through separate single-member limited liability companies established by the Corporation and of which the Corporation is the sole member (although the Corporation does conduct its charitable activities through separate 501(c)(3) supporting organizations of the Corporation). Each of the limited liability companies established by the Corporation (including the Borrower) is dedicated to a specific, limited purpose and project, and holds only the assets utilized in conducting operations for that purpose and for that project, and incurs liabilities solely in connection with the ownership, management, and operation of that specific project. The Corporation was incorporated in 1999 and is currently governed by a board of seven directors. The Corporation has established a National Advisory Council to provide advice and consultation on its various charitable activities. The Corporation is headquartered in Baton Rouge, Louisiana. The senior management of the Corporation is composed of the following: Steve E. Hicks is the Chief Executive Officer; Christopher Hicks is the President; Donovan O. Hicks is the Chief Legal Officer; Marla P. Scannicchio is the Chief Financial Officer; David T. Grand is the Chief Operating Officer; and Pamela Forestier is the Chief Accounting Officer. As of calendar year-end 2024, the Corporation has approximately \$5.2 billion in assets under management nationally, including approximately \$3.5 billion in higher education assets.

The Corporation is not obligated to pay the principal of, or premium, if any, or interest on the Series 2025 Bonds, and the Series 2025 Bonds are not a debt, liability, or obligation of the Corporation. The Corporation is not obligated to contribute funds to the Borrower for the Borrower to pay or perform its obligations with respect to the Series 2025 Bonds.

THE GROUND LEASE

General

Pursuant to the Ground Lease, the University will lease the Property to the Borrower for a term of 40 years, subject to certain termination rights provided therein. The annual rent payable under the Ground Lease will be equal to the surplus cash available for such purpose from moneys on deposit in the Surplus Fund under the Indenture.

Eligible Residents

Under the Ground Lease, the Borrower will be permitted to lease units to the following groups (collectively, “Eligible Residents”) in order of priority: (a) students registered in an academic degree program of the University; (b) regular full-time faculty, staff and employees of the University; (c) visiting faculty serving at the University on a temporary basis; (d) groups participating in any activity, conference, or other program sponsored by the University during the summer months, and while the persons are participating in the activity, conference or program on the University campus; and (e) full-time students, faculty and staff of other accredited academic colleges or universities within West Palm Beach, Florida, but only to the extent beds are available after serving the individuals identified in (a)-(d).

University’s Obligations

Pursuant to the Ground Lease, the University will agree to the following:

- (a) generally to include the Series 2025 Project in any overall information and marketing materials regarding student housing that it provides to students and prospective students

with respect to all of its student housing facilities (in the case of this clause (a), commencing at a reasonable time before the anticipated substantial completion of the Series 2025 Project);

(b) to treat the Series 2025 Project as part of University's student housing program, and generally to provide to students residing at the Series 2025 Project the same services and access it provides to students in its own housing facilities from time to time, including police services, transportation, student adjudication procedures, recreation center access, and access to the University's computer network;

(c) to make the Series 2025 Project available to students as a housing choice, and to facilitate applications by students for housing in the Series 2025 Project, provided, however, that students may elect to reside in other University-owned or -operated housing facilities;

(d) to take into account the Series 2025 Project in any planning for any future housing projects;

(e) to collect (or cause to be collected) all student housing fees, deposits, charges and other receipts due under the Occupancy Agreements in accordance with the Management Agreement and to remit the same to the Trustee for deposit in the Revenue Fund (as defined in the Indenture), pursuant to the Management Agreement;

(f) to enforce compliance by each Resident with his or her Occupancy Agreement in accordance with the Management Agreement;

(g) not to take any action with respect to the Series 2025 Project that would adversely affect the exemption of interest on the Series 2025 Bonds from gross income for federal tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of the University as set forth in the Bond Documents;

(h) to use good faith efforts not to engage in activities or take action that might reasonably be expected to impair the Series 2025 Project's exemption from Taxes (hereinafter defined);

(i) to implement such procedures as may reasonably be requested by the Borrower with regard to Residents who are in arrears in payment of tenant rent such as (i) [reserved]; and (ii) prohibiting registration in classes offered by the University; provided that such procedures (A) are consistent with those employed for other resident students; and (B) are then permitted under, and may be implemented in a manner consistent with, state and federal law (including regulations promulgated by the U.S. Department of Education) and the University's policies and procedures for other resident students;

(j) [Reserved];

(k) to not undertake to build, invest in, finance, lease, own (in whole or in part), operate or market any new Competing Facility unless the construction of the Competing Facility is supported by a demand study from an independent consultant dated not more than eighteen (18) months prior to the projected construction date, concluding that sufficient demand exists for the additional number of beds to be constructed so as not to have a material adverse effect on the Series 2025 Project. The projections and demand study shall be prepared by a nationally recognized consulting firm experienced in student housing selected by Lessor and approved by the Borrower, in the Borrower's reasonable discretion. A "Competing Facility" is defined in the Ground Lease

to mean student housing facilities marketed primarily to students of the University, whether located on or off the campus of the University. The term “Competing Facility” excludes the replacement by the University of any current on-campus student housing facility, as long as the number of beds in the replacement student housing facility does not exceed the number of beds in the student housing facility being replaced;

(l) prior to Substantial Completion, to adopt and enforce an expanded live-on campus requirement to include students who are 17-21 years old, with 22-year-olds maintaining the option to live on campus;

(m) prior to Substantial Completion, to decommission Weyenberg Hall, Pembroke Hall, and transition Coastal Towers to housing for faculty, staff and certain graduate students; and

(n) prior to Substantial Completion, to terminate all current off-campus master lease arrangements.

Default in Construction

If there shall be a default by the Developer, the Design-Builder, or the Architect in connection with the design, development and/or construction of the Series 2025 Project (after expiration of any applicable notice and cure periods contained therein), the Borrower shall exercise or cause to be exercised all of the rights and remedies available (a) to the Borrower under the Development Agreement, subject to the terms and conditions thereof; or (b) to the Borrower, if any, under the relevant Construction Contracts (as defined in the Ground Lease). If an Event of Default shall occur and be continuing, or if the Borrower, as the Borrower, shall be in default under the Development Agreement beyond any applicable grace or cure period, or if (for more than 10 days after notice to Borrower) Borrower shall fail to exercise its rights and remedies under the Development Agreement in the event of a default by Developer thereunder, subject to the terms and conditions thereof, the University may, but shall not be obligated to, subject to the rights of the Trustee under the Bond Documents, exercise its rights under, or assert the rights of the Borrower under the Development Agreement pursuant to, the Subordinated Assignment of Construction Contracts (as defined in the Ground Lease). All such rights and remedies of the University are in addition to and shall not be deemed to limit or restrict any rights or remedies of the University under the Development Agreement.

Failure To Provide Project on Schedule

The Borrower is to cause the Construction of the Series 2025 Project to be Substantially Complete in accordance with the Plans and Specifications and all Governmental Regulations, with all costs thereof fully paid (including any and all costs in excess of the Series 2025 Bond proceeds), and all Liens fully paid or bonded, no later than the Guaranteed Date. If the Student Housing Facilities are not Substantially Complete and ready for occupancy and use by Eligible Residents (including use of the Parking Garage) on or before the Guaranteed Date (“Delay in Occupancy”), then the Borrower, at its cost and expense, will be liable for the Liquidated Damages (as defined in the Ground Lease and described below) following liquidated damages, which are intended to compensate the University, for the Delay in Occupancy. Affected Residents will remain responsible for the payment of all rent and fees pursuant to their housing agreements during the provision of any Temporary Housing Services (as defined in the Ground Lease and described below). The University and the Borrower agree to the following as liquidated damages in the event of a Delay in Occupancy for each day until the date the Affected Residents are permitted to occupy their housing unit in the Student Housing Facilities (“**Liquidated Damages**”):

(a) on the first day for which Liquidated Damages are due hereunder for the first 300 beds in the Student Housing Facilities, the Borrower shall pay an amount equal to \$100/bed per day for Affected Residents who were scheduled to move into their respective unit in the Student Housing Facilities, and on each day thereafter until Developer achieves Substantial Completion of the Student Housing Facilities, \$30/bed per day; and

(b) for the remaining 690 beds in the Student Housing Facilities, the Borrower shall pay an amount equal to \$135/bed per day for Affected Residents who were scheduled to move into their respective unit in the Student Housing Facilities until Developer achieves Substantial Completion of the Student Housing Facilities.

For the avoidance of doubt, Borrower's obligation to pay Liquidated Damages shall only apply if the Developer fails to achieve Substantial Completion of the Student Housing Facilities by the Guaranteed Date. In no event will the Borrower be required to pay any Liquidated Damages if Developer fails to achieve Substantial Completion of any other component of the Series 2025 Project (i.e., Dining Facility, Parking Garage or the Student Recreation Center) by the Guaranteed Date.

Pursuant to the Ground Lease, "Affected Residents" means those Eligible Residents who executed Occupancy Agreements to occupy residential units in the Series 2025 Project, but who are not permitted to occupy such residential units due to the failure of the Borrower to provide the Student Housing Facilities Substantially Complete on or before the Guaranteed Date.

In the event of a Delay in Occupancy, the University agrees to pay and provide for the Affected Residents the following services, until the Affected Resident can take occupancy of his or her residential unit in the Series 2025 Project ("Temporary Housing Services"): (a) temporary housing (on- or off-campus); (b) transportation to and from campus, if the temporary housing is located off-campus; (c) meal allowances for such Affected Students who are not on a meal plan; (d) moving and storage costs; and (e) security. The Liquidated Damages agreed to above are intended to reimburse the University for providing the Temporary Housing Services to Affected Tenants.

Project Operations Committee

The Borrower will establish a Project Operations Committee in accordance with the Ground Lease, which will meet from time to time to advise the Borrower with respect to the management and operations of the Series 2025 Project as set forth in the Management Agreement. The "Project Operations Committee" means that certain committee established by Borrower under the Ground Lease, which committee shall at all times be composed of five (5) members, three (3) of whom shall be appointed by the University, and two (2) of whom shall be appointed by the Corporation. Any and all decisions and determinations of the Project Operations Committee shall be by majority vote of such five (5) representatives, and any such representative may assign his right to vote to another representative by written proxy.

Events of Default and Remedies

The occurrence of any of the following will constitute an "Event of Default" on the part of the Borrower under the Ground Lease:

(a) The Borrower shall fail to pay any Annual Rent from Surplus Cash Flow if, as and when due, for more than 15 days after the University shall have given written notice to Borrower of such non-payment;

(b) The Borrower shall fail to pay any Additional Rent, if, as and when due, for more than 20 days after the University shall give written notice to Borrower of such non-payment;

(c) the Borrower shall fail to perform or cause to be performed any term, covenant, condition, or provision hereof, other than referred to in clause (a) above and to correct such failure within 30 days after written notice specifying such is given to the Borrower by the University. 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 University, it shall 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, on condition that such failure is corrected;

(d) the Borrower shall be adjudicated a Bankrupt;

(e) a permanent receiver shall be appointed for the Borrower's interest in the Property and such receiver shall not be removed within 90 days after notice from the Lessor to the Borrower to obtain such removal;

(f) the Borrower shall make a general assignment for benefit of creditors; and

(g) the Property 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 University to the Borrower to obtain satisfaction or dissolution thereof.

Subject to the provisions of the Ground Lease, upon the occurrence of an Event of Default, the University may pursue one of the following remedies, subject to certain rights given to the Trustee as described below:

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

(b) as the Borrower's legal representative, without terminating the Ground Lease, re-let the Property upon obtaining the written consent of each Leasehold Mortgagee. Such re-letting may be accomplished without advertisement and by private negotiations for such term or terms and at such rental or rentals as the University in its sole discretion may deem proper and advisable, with the right to make alterations and repairs to the Property. Upon each such reletting:

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

(ii) subject to applicable law, rents received by the University 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 the University, in escrow,

and (A) applied to the payment of the Rent as the same shall become due under the Ground Lease; and (B) if any balance shall then remain, paid to the Borrower at the termination hereof. The University shall in no event be liable to the Borrower for any interest on said residue;

(c) the University shall not exercise its remedies set forth in clause (a) or (b) above unless (i) the University shall first give notice to the Trustee that an Event of Default has occurred and is continuing, and (ii) such Event of Default shall remain uncured for 60 days after the giving of such notice; and

(d) until the Ground Lease shall be terminated or shall expire, or the Bonds shall be paid, all Revenues shall be subject to the operation, lien and effect of the Indenture and the other Bond Documents and shall be collected, deposited and applied as set forth therein.

Limitation Upon Termination Rights of the University

The Trustee as mortgagee under the Leasehold Mortgage and any permitted designee of the Trustee for purposes of taking title to the Borrower's interest in the Ground Lease or entering into a Mortgage Lease (the "Leasehold Mortgage") shall have a period of 90 days to remedy or cause to be remedied any Event of Default of which it shall have received notice under the Ground Lease.

If the University shall elect to terminate the Ground Lease upon the occurrence of an Event of Default, the Leasehold Mortgagee (initially, the Trustee) shall also have the right to postpone and extend the termination date of the Ground Lease for a period of not more than six months from the expiration of the 90-day period specified in the Paragraph above (the "aggregate 270-day period"); provided that the Trustee shall pay the rent and other charges required to be paid under the Ground Lease during such period ("Rent Payments"), and provided further, that the Trustee shall forthwith take steps necessary to acquire the Borrower's interest and estate in the Ground Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence ("Diligent Efforts"). If at the end of the aggregate 270-day period, the time for the Trustee to comply with these provisions shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity. During the aggregate 270-day period (provided that the Trustee makes the Rent Payments and makes Diligent Efforts, the University shall refrain from terminating or attempting to terminate the Ground Lease, to allow the Trustee (and/or Leasehold Mortgagee) and/or bondholders to exercise its rights with respect to the Series 2025 Project following an Event of Default.

THE SUBLEASE

The following is a summary of certain provisions of the Sublease pursuant to which the Related Facilities will be leased to the University by the Borrower. This summary is not a complete recital of the terms of the Sublease and reference is made to the Sublease in its entirety. During the initial offering period, potential purchasers of the Series 2025 Bonds can obtain a copy of the Sublease from the Underwriter at no cost and are encouraged to review the same before investing in the Series 2025 Bonds. Following the initial offering period, potential purchasers can examine such documents at the office of the Trustee.

The Related Facilities will be leased to the University by the Borrower pursuant to the Sublease beginning on the date the Related Facilities (defined in the Sublease as the "Premises") reach Substantial Completion within the meaning of the Development Agreement and the University accepts possession

thereof, through the day before the last day of the term of the Ground Lease, unless extended or sooner terminated in accordance with the provisions of the Ground Lease.

Base Rent

In addition to any and all other sums due under the Sublease, the University is obligated to pay to the Borrower annual “Base Rent” in the amounts and on the dates set forth in the Sublease plus applicable sales tax, which amount shall be payable in twelve monthly installments on the 20th day of each month, commencing with the month immediately following the Commencement Date. The “Commencement Date” is the date the Related Facilities reach Substantial Completion (as defined in the Development Agreement) and the University accepts possession of the Related Facilities pursuant to the Sublease. The University’s acceptance of the Related Facilities is subject to inspecting the work and issuing its certificate of acceptance. The University will pay Base Rent directly to the Trustee, by wire transfer of funds to an account designated by the Trustee.

University Contribution

Pursuant to the Sublease, the University has agreed to provide the University Contribution in the amount of \$9,000,000 on the date of issuance of the Series 2025 Bonds for deposit with the Trustee in the Construction Fund. The University Contribution will be disbursed by the Trustee to pay certain costs of the Series 2025 Project. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

University Default

The occurrence of one or more of the following events set forth in (a) through (h) below shall constitute a material default and breach of the Sublease by the University:

(a) Failure by University to pay any Base Rent or other sums payable by University under the Sublease within five (5) days after such payment is due.

(b) Making by University of a general assignment for the benefit of creditors.

(c) University shall be adjudicated a Bankrupt and such adjudication shall remain after any appeals thereof by University.

(d) The appointment of a trustee or receiver to take possession of all or substantially all of University’s assets located upon the Premises or of University’s interest in the Sublease, and such appointment shall not be discharged within ninety (90) days after written demand therefor by Borrower.

(e) Any assignment, subletting, pledge or other transfer of the Sublease or the Premises by University in violation of the provisions of the Sublease that is not rescinded within sixty (60) days after notice from Borrower.

(f) Any occurrence of an Event of Default as defined anywhere else in the Sublease.

(g) Failure by University to promptly observe or fully perform any of the covenants, promises, conditions or terms of the Sublease not provided for in (a) through (f), above, where such failure shall continue for a period of thirty (30) days after written notice thereof has been given by Borrower to University, provided that if the nature of such default is such that it cannot reasonably be cured within a 30-day period, an Event of Default shall not exist if the University shall commence to cure such default and

thereafter proceeds expeditiously and diligently to rectify and cure the default no later than ninety (90) days after such notice to University of the default.

(h) Failure of University to reimburse Borrower for Borrower's costs and expenses incurred in connection with any election by Borrower to cure University's default(s), as set forth in the Sublease, below, plus interest, within thirty (30) days after written notice to reimburse such costs and expenses has been given by Borrower to University.

If an Event of Default as described in (a) through (h) above occurs, Borrower shall have (in addition to all other rights and remedies provided by law or otherwise provided for in the Sublease, but subject to the Sublease the right,-at the option of Borrower, then or at any time thereafter while such Event of Default continues, to elect anyone or more of the following remedies as follows: (i) to continue the Sublease in full force and effect, and Borrower will have the right to collect the Base Rent, and all other sums payable by the University under the Sublease when due for the remainder of the Lease Term or any renewal or extension thereof; (ii) Upon ten (10) days prior written notice to the University, to cure such default or defaults on behalf of the University at the University's sole cost and expense without prejudice to any other remedies which the Borrower might otherwise have. Any costs and expenses incurred by the Borrower in electing to cure such default or defaults of the University shall be reimbursed to the Borrower by the University with interest thereon at the rate established by the Florida Prompt Payment Act; (iii) to seek an order of specific performance or injunctive relief requiring the University to cure the Event of Default; and (iv) to seek payment of actual, out-of-pocket damages sustained by the Borrower as a result of the University's default, but not special, consequential or punitive damages.

Borrower Default

Borrower shall not be in default unless Borrower fails to perform or observe any of the covenants, terms, provisions and conditions specifically and expressly required of Borrower pursuant to the Sublease within a reasonable time, but in no event later than the sooner to occur of (a) thirty (30) days after written notice by University to Borrower thereof and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to University in writing, specifying wherein Borrower has failed to perform such covenants, terms, provisions and/or conditions and (b) any shorter period for any related Event of Default as defined in and under the Ground Lease. However, if the immediately preceding clause (b) does not apply and the nature of Borrower's obligation is such that more than thirty (30) days may be required for performance, then Borrower shall not be in default if Borrower commences performance within such thirty (30) day period and thereafter reasonably prosecutes same to completion on condition that the same shall be completed no later than ninety (90) days after such notice to Borrower. Borrower will be in default under the Sublease if there is any event of default under the Ground Lease, Development Agreement or the Management Agreement, respectively, by Lessee, Developer or the University as Manager, as applicable. Borrower shall also be in default under the Sublease if there is any event of default under any of the Bond Documents. In no event shall University have the right to terminate the Sublease as a result of Borrower's default.

In case of a default by the Borrower as described above, the University's remedies shall be limited to (a) obtaining an order of specific performance or other injunctive relief, and (b) actual general damages sustained by University as a result of Borrower's breach but not special or consequential damages. University will also have the remedy (but not the obligation) of performing Borrower's unperformed obligations and/or curing Borrower's defaults, in which event Borrower will, within ten (10) days after written demand from University, reimburse University for all costs and expenses incurred by University in connection therewith, with interest thereon at the rate set under the Florida Prompt Payment Act (being the same rate as if University had defaulted in a payment owed to Borrower).

Termination for Monetary Event of Default

Notwithstanding the foregoing or any other provisions of the Sublease to the contrary, and notwithstanding any remedies available at law or equity, the Borrower will have the right to repossess the Premises or to terminate the Sublease solely for an Event of Default of the type described in subclause (a) under the caption “—University Default” above and not in connection with (x) any other Event of Default or (y) any default that is not an Event of Default. Upon any such repossession or termination, Borrower shall have no obligation to pay any and all Base Rent, additional rent or other sums due under the Sublease that accrue or are attributable to any period after the date of repossession or termination, and the provisions of this sentence shall survive any such repossession or termination.

Insurance

Pursuant to the Sublease, the University shall, and during the Lease Term and any renewal or extension thereof, keep in full force and effect insurance as required by Exhibit D attached thereto and incorporated therein by reference and the Borrower shall maintain all insurance required under the Ground Lease and (during Landlord’s Work (as defined in the Sublease)) the Development Agreement, and as required under any of the other Bond Documents.

THE ASSET MANAGEMENT AGREEMENT

The following is a summary of certain provisions of the Asset Management Agreement. This summary is not a complete recital of the terms of the Asset Management Agreement and reference is made to the Asset Management Agreement in its entirety.

The Corporation will perform certain oversight and other services for the Series 2025 Project (in such role, the “Asset Manager”) pursuant to the Parent Organization Management and Services Agreement (the “Asset Management Agreement”), including the following: (i) Preparation and submittal of Series 2025 Project financing application to the Issuer, oversee preparation and filing of organizational documents for the Borrower, active participation in negotiation and preparation of Borrower Documents, establish and maintain appropriate bank accounts with qualified financial institutions as required under the Bond Documents, monitor activities of all third-party consultants and advisors to Borrower, oversee property and sales tax exemption application and process where appropriate, monitor compliance with Bond Documents, monitor compliance with Borrower Documents, ensure appropriate books and records relating to the Series 2025 Project are maintained, and Coordinate construction requisition processing and monitor compliance thereof with Borrower Documents and other Bond Documents (collectively, the “Asset Development Services”; and (ii) direct and supervise investment of any Series 2025 Project related funds pursuant to the terms of the Series 2025 Bonds; coordinate and monitor treasury and banking related matters, including cash management services for the Borrower; monitor post-issuance tax compliance for the Series 2025 Bonds, including tracking and allocating bond proceeds, tracking and analyzing any private use of Series 2025 Project, monitoring investment and arbitrage compliance, and retention of appropriate records and documentation for the Series 2025 Project; monitor post-issuance continuing disclosure and bond documentation compliance, including preparation and dissemination of all necessary continuing disclosure documents and annual certifications and reports; provide necessary administrative services to monitor compliance with the Borrower’s responsibilities under the Borrower Documents (as defined in the Loan Agreement); monitor and evaluate performance of independent managers and consultants; actively participate in the preparation, approval, and implementation of operating budgets and capital plans for the Series 2025 Project; monitor compliance with operating budgets and capital plans for the Series 2025 Project; review and approve third-party contracts, as necessary; review monthly operational and financial

reports of Series 2025 Project; consult, as necessary, with independent auditor engaged to conduct the annual financial audits of Series 2025 Project; consult with insurance consultant to monitor the maintenance of all required insurance under Borrower Documents; consult and coordinate with property tax consultant to monitor assessments and submission of necessary appeals; arrange for the calculation and payment by the Borrower of all arbitrage rebate payments required to the federal government in connection with the Series 2025 Bonds; assist in satisfying federal tax reporting requirements (Forms 990 and 1099); and assist in coordinating meetings and agenda of the Borrower's corporate governance matters (collectively, the "Asset Management Services").

The Asset Manager will receive an initial upfront development fee of \$250,000 from the proceeds of the Series 2025 Bonds at closing for development services rendered to the Borrower in connection with the development of the Series 2025 Project and the issuance of the Series 2025 Bonds, and an annual asset management and administrative fee (the "Asset Management Fee") payable in equal monthly installments commencing on the first day of the month, and equal to, (i) for the period commencing on the first day of the month immediately following the Effective Date and continuing through Substantial Completion of the Project (as defined in the Development Agreement), \$150,000 per year and (ii) after Substantial Completion of the Project (as defined in the Development Agreement), for the remainder of the term of the Asset Management Agreement, \$185,000 per year, increasing at the rate of three percent (3.00%) per year. Pursuant to the Asset Management Agreement, the Borrower is also required to reimburse, or cause to be reimbursed, the Asset Manager for all necessary expenses incurred in carrying out the Asset Management Services or incurred by or on behalf of the Borrower relating to the performance of any obligation of the Borrower under the Borrower Documents or the other Bond Documents or the enforcement of the obligations of other parties to documents executed in connection therewith.

Any amount payable to the Asset Manager under the Asset Management Agreement that has not been paid when due pursuant to such Agreement shall accrue interest at 12% per annum or, if less, the highest legal limit in the State of Florida.

The initial term of the Asset Management Agreement is 15 years, subject to automatic renewal for two (2) additional 10-year periods, and may be terminated (i) by mutual agreement of the Borrower and the Asset Manager, or (ii) by the non-breaching party upon material breach of the agreement by the other party after notice and failure to cure within 30 days of notice.

MARKET STUDY

Attached hereto as Appendix C is the Student Housing Feasibility Assessment (the "Market Study") dated June, 2024 (revised March, 2025), prepared by Scion Advisory Services ("SCION"), on behalf of the Developer. The conclusions and findings contained in the Market Study are based upon assumptions about the outcome of future events. There can be no assurance that such projections will approximate actual results, and there is no assurance that such projections will be achieved. See "CERTAIN BONDHOLDERS' RISKS—Actual Results May Differ From Market Study and Cash Flow Projection" and "—Forward Looking Statements." For discussion of the assumptions and methodology used in arriving at the conclusions and findings, see the Market Study which should be read in its entirety. SCION has consented to the use of the Market Study in this Limited Offering Memorandum. None of the Issuer, the Underwriter, nor the Borrower makes any representation with respect to the Market Study.

CASH FLOW PROJECTION

Attached hereto as Appendix D is a Cash Flow Projection (the "Cash Flow Projection") relating to the Series 2025 Project's ability to generate revenues from operations sufficient to pay principal of and interest on the Series 2025 Bonds for each of the years ending June 30, 2028 through 2066. The Cash Flow

Projection has been prepared by the Developer based on operating budgets developed with the Manager. None of the Issuer, the Underwriter nor the Borrower makes any representations with respect to the Cash Flow Projection.

The Cash Flow Projection assumes that the Series 2025A Bonds will be issued in the aggregate principal amount of \$212,700,000* and bear interest at an average coupon rate of approximately 6.06%*. The Cash Flow Projection assumes that the Series 2025B Bonds will be issued in the aggregate principal amount of \$23,100,000* and bear interest at an average interest rate of approximately 6.44%*. The 2025 Senior Account of the Debt Service Reserve Fund is assumed to be gross funded and is assumed to bear interest at 4.00%* with investment earnings thereon available to pay debt service after completion of the Series 2025 Project. The 2025 Subordinate Account of the Debt Service Reserve Fund is assumed to be gross funded and is assumed to bear interest at 4.00%* with investment earnings thereon available to pay debt service after completion of the Series 2025 Project. The Construction Fund and the 2025A Subaccount and the 2025B Subaccount of the Capitalized Interest Account will be net funded and are assumed to bear interest at 4.00%*.

The 2028 through 2066 operating projections are based on the operating budgets prepared by the Manager and are based on certain assumptions relating to the Series 2025 Project as summarized herein. The 2028 revenues associated with the operation of 990 beds of housing are based on the rental rates outlined in the table below, assuming a 95% occupancy rate during the academic term and the Lease Payments made by the University. The 2028 through 2066 operating projections assume a 3% annual growth rate of the 2028 budgeted monthly rental rates per bed and of the expenses of the Series 2025 Project.

Unit Type	Number of Units	Beds per Unit	Number of Beds	2027-2028 Per Semester*
2 BR	29	2	58	\$7,752
3 BR	15	3	45	7,116
4 BR	139	4	556	7,116
2 BR - Oceanview	15	2	30	8,232
3 BR - Oceanview	7	3	21	7,596
4 BR - Oceanview	<u>70</u>	<u>4</u>	<u>280</u>	7,596
Total	275	-	990	-

* Per resident.

Expenses for the Series 2025 Project are based on a budget prepared pursuant to the Management Agreement and include annual deposits as required by the Indenture. Expenses, including deposits to the Repair and Replacement Fund, have been projected to grow annually at a rate of 3%. The Series 2025 Project is anticipated to be exempt from property taxes under the educational use exemption statute consistent with a previous determination by the Palm Beach County Property Appraiser with respect to a similarly structured public-private partnership project for the benefit of the University. The application for such exemption will be due for property assessment year 2028.

The achievement of any financial projection is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the Cash Flow Projection.

* Preliminary; subject to change.

Such variation could be material. See “CERTAIN BONDHOLDERS’ RISKS—Actual Results May Differ From Market Study and Cash Flow Projection” and “—Forward Looking Statements.”

LITIGATION

The Issuer

There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that restrains or enjoins the issuance or delivery of the Series 2025 Bonds or questions or affects the validity of the Series 2025 Bonds or the proceedings and authority under which they are to be issued. To the Issuer’s knowledge, neither the creation, organization, or existence of the Issuer, nor the title of the present members or other officers of the Issuer to their respective offices, is being contested or questioned. There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that in any manner questions the right of the Issuer to enter into the Indenture or the Loan Agreement or to secure the Series 2025 Bonds in the manner provided in the Indenture.

The University

There is no litigation now pending or threatened against the University, of which the University has knowledge, that in any manner questions the right of the University to enter into the Sublease or the Management Agreement or any of its obligations thereunder with respect to the Series 2025 Project.

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 Ground Lease, the Management Agreement, the Series 2025 Notes, the Leasehold Mortgage, the Security Agreement, or the Assignment of Contracts and Agreements or that individually or in the aggregate would adversely affect the operations of the Borrower, financial or otherwise.

TAX MATTERS

Series 2025 Bonds

General. The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2025 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2025 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2025 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Indenture, the Borrower has covenanted in the Loan Agreement and the Manager has covenanted in the Management Agreement to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2025 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2025 Bonds may be

taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Attached as Appendix H is a form of the opinion of Bond Counsel to be delivered at closing.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2025 Bonds. Prospective purchasers of Series 2025 Bonds should be aware that the ownership of Series 2025 Bonds may result in collateral federal income tax consequences, including (a) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2025 Bonds; (b) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen (15%) of certain items, including interest on the Series 2025 Bonds; (c) the inclusion of interest on the Series 2025 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (d) the inclusion of interest on the Series 2025 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (e) the inclusion of interest on the Series 2025 Bonds in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer in the Indenture, the Borrower in the Loan Agreement and the Manager in the Management Agreement, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2025 Bonds and of the property financed or refinanced thereby) and on the opinions being delivered by counsel to the Borrower in connection with the delivery of the Series 2025 Bonds with respect to the Borrower and the Manager each being an organization described in Section 501(c)(3) of the Code, without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2025 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE HOLDERS OF THE SERIES 2025 BONDS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE HOLDERS OF THE SERIES 2025 BONDS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters. During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2025 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2025 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2025 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2025 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Series 2025 Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the

excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2025 Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Series 2025 Bonds and proceeds from the sale of Series 2025 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2025 Bonds. This withholding generally applies if the owner of Series 2025 Bonds (a) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”); (b) furnished the payor an incorrect TIN; (c) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code; or (d) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Tax Treatment of Bond Premium. The difference between the principal amount of the Series 2025A Bonds maturing on October 1, 2035* and October 1, 2065*, and the Series 2025B Bonds maturing on October 1, 2035* (collectively, the “Premium Bonds”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Circular 230 Disclosure

The above discussion was written to support the promotion and marketing of the Series 2025 Bonds and was not intended or written to be used, and cannot be used, by a taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

UNDERWRITING

Pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) entered into between the Issuer and the Underwriter, the Underwriter will purchase (a) the Series 2025A Bonds at a purchase price of \$_____ (which is an amount equal to the aggregate principal amount of the Series 2025A Bonds of \$_____, less an underwriting discount of \$_____ and [plus/less a [net] original issue discount/premium] of \$_____) and (b) the Series 2025B Bonds at a purchase price of \$_____ (which is an amount equal to the aggregate principal amount of the Series 2025A Bonds of \$_____, less an underwriting discount of \$_____ and [plus/less a [net] original issue discount/premium] of \$_____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series

* Preliminary; subject to change.

2025 Bonds. The obligation of the Underwriter to accept delivery of the Series 2025 Bonds is subject to various conditions contained in the Bond Purchase Agreement, the approval of legal matters by counsel and other conditions.

The Series 2025 Bonds are being offered for sale to the public at the initial public offering prices shown on the inside front cover page of this Limited Offering Memorandum. The Underwriter reserves the right to lower such initial offering prices as they deem necessary in connection with the marketing of the Series 2025 Bonds. The Underwriter may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing such Series 2025 Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices lower than the initial public offering price or prices stated on the inside front cover page of this Limited Offering Memorandum. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2025 Bonds to the public. The Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Series 2025 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter and its 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 Underwriter and its 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 Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its 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 Underwriter and its affiliates have, from time to time, may have performed, and may in the future perform, various advisory and investment management services for the Issuer, for which they received or will receive customary fees and expenses. If such advisory and investment management activities are undertaken, the Underwriter will have the obligation to meet its fair dealing or fiduciary duties, as the case may be, to the Issuer, under applicable laws and regulations.

The Underwriter has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any bonds that such firm sells.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. The Underwriter and its affiliates may also communicate independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Any such purchases, trades, or reports occur in the ordinary course of the various business activities of the Underwriter and its affiliates, and are separate and distinct from the obligations of the Underwriter to meet its fair dealing or fiduciary duties, as the case may be, to the Issuer, under applicable laws and regulations.

RATING

Series 2025A Bonds

Fitch Ratings (“Fitch”) has assigned their long-term municipal bond rating of “BB+” to the Series 2025A Bonds. The rating reflects only the views of Fitch, and an explanation of the significance of such rating may be obtained from Fitch. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised downward or withdrawn entirely by Fitch if, in the judgment of Fitch, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2025 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Series 2025B Bonds

Fitch was engaged to obtain a non-public indicative rating on the Series 2025B Bonds. The decision was made to not utilize Fitch’s services and a public rating on the Series 2025B Bonds will not be obtained. Therefore, the Series 2025B Bonds do not have a credit rating from any rating agency and may not be a suitable investment for all investors. See “CERTAIN BONDHOLDERS’ RISKS – No Rating for the Series 2025B Bonds.”

Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Series 2025 Bonds and must be able to bear the economic risk of such investment in the Series 2025 Bonds. By purchasing the Series 2025 Bonds, each purchaser represents that it is a “qualified institutional buyer” as defined under Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended. See “CERTAIN BONDHOLDERS’ RISKS” herein.

FINANCIAL STATEMENTS

The financial statements of the University for the Fiscal Years ended June 30, 2024 and June 30, 2023 included in “APPENDIX B – FINANCIAL STATEMENTS” have been audited by Templeton & Company, LLP (the “Auditor”), independent auditors, as stated in their report included in APPENDIX B hereto.

The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this offering document.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the Series 2025 Bonds will be subject to the approving opinion of Bryant Miller Olive P.A., Orlando, Florida, the form of which is included as Appendix H hereto. Certain legal matters will be passed on for the Issuer by its counsel, the County Attorney for Palm Beach County, Florida; for the Borrower and the Corporation by their counsel, Fishman Haygood, L.L.P., Baton Rouge, Louisiana and Bryant Miller Olive P.A., Orlando, Florida, for the University by its counsel, Jones Foster, West Palm Beach, Florida, and for the Underwriter by its counsel, Kutak Rock LLP, Denver, Colorado.

Bond Counsel has not undertaken to verify and therefore express no opinion as to the accuracy, completeness, or sufficiency of any of the information or statements contained in this Limited Offering Memorandum or any exhibits, schedules, or appendices hereto, except that Bond Counsel will state to the Underwriter on the date of issuance of the Series 2025 Bonds, that they have reviewed the statements

contained herein under the sections entitled “THE SERIES 2025 BONDS” (other than the information under the caption “Book-Entry System for the Series 2025 Bonds”), “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” (solely to the extent such sections describe the provisions of the provisions of the financing documents described therein and exclusive of any description of Bondholders’ risks in such sections and expressly excluding the information under the subheading “Enforceability of Remedies,” about which no opinion is expressed), “TAX MATTERS,” “APPENDIX E—LOAN AGREEMENT,” “APPENDIX F—TRUST INDENTURE” and “APPENDIX H—PROPOSED FORM OF BOND COUNSEL OPINION,” and believe such statements are accurate and fair statements or summaries of the matters set forth therein or referred to therein.

None of the legal counsel referenced in this Limited Offering Memorandum has (a) participated in the underwriting of the Series 2025 Bonds, (b) provided any advice regarding the creditworthiness of the Series 2025 Bonds, or (c) assisted in determining the value of the collateral for the Series 2025 Bonds upon the occurrence of an event of default. Legal counsel have solely and exclusively opined to those matters which are expressly set forth in their opinions which are attached hereto or which have been delivered in connection herewith and no holder of a Series 2025 Bond shall be authorized or entitled to infer that such legal counsel have rendered opinions beyond those stated in their written opinions or to rely on the participation of counsel in this transaction. Except for negligent errors in their express written opinions, legal counsel shall have no obligations to holders of the Series 2025 Bonds and holders of the Series 2025 Bonds must not rely either expressly or implicitly upon such counsel in determining whether the Series 2025 Bonds represent suitable investments or otherwise meet their creditworthiness and risk tolerance standards.

RELATIONSHIP OF PARTIES

In connection with the issuance of the Series 2025 Bonds, the Issuer, the Borrower, the University, and the Underwriter are being represented by the attorneys or law firms identified above under the heading “LEGAL MATTERS” in this Limited Offering Memorandum. In other transactions not related to the Series 2025 Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower, the University, or the Underwriter or its affiliates, in capacities different from those described under “LEGAL MATTERS” in this Limited Offering Memorandum, and there will be no limitations imposed as a result of the issuance of the Series 2025 Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2025 Bonds should not assume that any of the Issuer, the Borrower, the University, or the Underwriter or its respective counsel or Bond Counsel has not previously engaged in or will not after the issuance of the Series 2025 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

CONTINUING DISCLOSURE

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2025 Bonds, and the Issuer will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure to Bondholders as described below, and the Issuer shall have no liability to Bondholders or any other person with respect to such disclosures.

The Borrower will undertake in the Continuing Disclosure Agreement to be dated the date of issuance of the Series 2025 Bonds (the “Continuing Disclosure Agreement”) by and between the Borrower and Digital Assurance Certification, LLC, as dissemination agent, to comply with the provisions of Rule 15c2 12, as amended from time to time (the “Rule”), promulgated by the Securities and Exchange

Commission (the “SEC”), by providing certain annual financial information (including audited financial statements of the Borrower commencing with the fiscal year ended June 30, 2028 and the University commencing with the fiscal year ended June 30, 2025, respectively), certain operating data, and event notices required by the Rule. Such information is to be filed with the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board. Such undertaking requires the Borrower to provide only limited information at specified times.

In the event of any failure of the Borrower to provide the required continuing disclosure, any bondholder may bring an action seeking specific performance of the Borrower’s obligations to provide continuing disclosure. No assurance can be given as to the outcome of any such proceeding.

Failure by the Borrower to comply with the continuing disclosure obligations in the Continuing Disclosure Agreement will not be an “Event of Default” under the Leasehold Mortgage, the Loan Agreement, the Indenture or under any other Bond Document, and the sole and exclusive remedy for such failure shall be an action brought by or on behalf of the holders of the Series 2025 Bonds to compel specific performance of the Borrower’s continuing disclosure obligations, as described above. The Borrower has not entered into any previous continuing disclosure agreement.

The proposed form of Continuing Disclosure Agreement is attached as Appendix I to this Limited Offering Memorandum.

Failure To Comply

UNDER NO CIRCUMSTANCES WILL THE BORROWER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2025 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BORROWER WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT DESCRIBED UNDER THIS HEADING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH WILL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Borrower in observing or performing its obligations described under this heading will comprise a breach of or default under the other Bond Documents for purposes of any other provision thereof.

FORWARD LOOKING STATEMENTS

Certain statements included in this Limited Offering Memorandum (including the information included in APPENDIX A “PALM BEACH ATLANTIC UNIVERSITY, INC.”) constitute “forward looking statements.” When used in this Limited Offering Memorandum, the words “estimate,” “intend,” “expect,” “plan,” “budget” and similar expressions identify forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that 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 University does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events, conditions or circumstances on which such statements are based occur or fail to occur. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include (a) the ability of the Borrower to market the Series 2025 Project, (b) the ability of the Series 2025 Project to maintain substantial occupancy at projected increased rent levels of the Series 2025 Project, (c) the ability of the residents of the Series 2025 Project to meet their financial obligations, (d) lower than anticipated revenues,

(e) higher than anticipated operating expenses, (f) litigation, (g) changes in governmental regulation, (h) loss of federal tax-exempt status of the Borrower, (i) loss of local property tax exemption, (j) changes in demographic trends, (k) competition from other residential rental projects, (l) changes in the student housing industry, (m) enrollment declines and (n) general economic conditions. No representation or assurances can be made that revenues will be generated from the operation of the Series 2025 Project in amounts sufficient to pay maturing principal of and interest on the Series 2025 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 69W-400.003, Rules for Government Securities, promulgated by the Florida Department of Financial Services Division of Securities (the “Department”), under Section 517.051, Florida Statutes, provides for the exemption from registration of certain governmental securities and requires that, if an issuer or guarantor of governmental securities has been in default at any time after December 31, 1975 as to principal and interest on any obligation issued or guaranteed by it, its securities may not be offered or sold in the State except by means of an offering circular containing full and fair disclosure, as prescribed by rules of the Department. Under the rules of the Department, the prescribed disclosure is not required if the information is not an appropriate disclosure in that the information would not be considered material by a reasonable investor.

As described above, the Issuer has the power to issue bonds for the purpose of financing other projects for other borrowers which are payable from the revenues of the particular project or borrower. Revenue bonds issued by the Issuer for other projects may be in default as to principal and interest. The source of payment, however, for any such defaulted bond is separate and distinct from the source of payment for the Series 2025 Bonds and, therefore, any default on such bonds would not, in the judgment of the Issuer, be considered material by a potential purchaser of the Series 2025 Bonds.

The Issuer has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligation issued or guaranteed by the Issuer for the benefit of the University. The University has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligation issued or guaranteed by the University.

INDEPENDENT REGISTERED MUNICIPAL ADVISOR

Stephens Inc. is serving as the Independent Registered Municipal Advisor (the “IRMA”) to the University in connection with the issuance of the Series 2025 Bonds. Stephens Inc., in its capacity as the IRMA, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Series 2025 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the University and other sources believed to be reliable but, has not been independently verified by the IRMA. The IRMA’s fee for services rendered with respect to the sale of the Series 2025 Bonds is contingent upon the issuance and delivery of the Series 2025 Bonds.

The IRMA has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to the University and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the IRMA does not guarantee the accuracy or completeness of such information.

MISCELLANEOUS

Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The foregoing references to and summaries or descriptions of provisions of the Series 2025 Bonds, the Loan Agreement, the Indenture, the Ground Lease, the Sublease, the Continuing Disclosure Agreement and other Bond Documents, the Issuer, the Borrower, the Development Agreement, the Design-Build Agreement, the Design-Builder, the Architect, the Developer, the Series 2025 Project, the University, and other parties and documents related to the transaction described herein, and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof.

The information set forth in this Limited Offering Memorandum and in the Appendices hereto should not be construed as representing all of the conditions affecting the Issuer, the Borrower, the University, the Underwriter, the Developer, the Series 2025 Bonds, or the Series 2025 Project.

At closing of the issuance and sale of the Series 2025 Bonds, the Issuer and the Borrower will each deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on the issuance of the Series 2025 Bonds or performance under the Bond Documents. In addition, the Borrower represents to the Underwriter and the Issuer in the Bond Purchase Agreement that the information contained in this Limited Offering Memorandum relating to itself does not contain any misrepresentation of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

The Borrower has furnished the information contained in this Limited Offering Memorandum relating to itself. The Issuer has furnished only the information contained in this Limited Offering Memorandum relating to itself under the headings “THE ISSUER”, “LITIGATION – The Issuer” and “DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS” (the “Issuer Information”). The Underwriter has furnished the information contained in this Limited Offering Memorandum under the heading “UNDERWRITING” and has furnished the information with respect to the public offering prices of the Series 2025 Bonds contained on the cover page and inside cover page of this Limited Offering Memorandum.

Any statements made in this Limited Offering Memorandum 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 Limited Offering Memorandum nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

The distribution of this Limited Offering Memorandum has been duly authorized by the Issuer and the Borrower. The Issuer has not assisted in the preparation of this Limited Offering Memorandum, except for the Issuer Information herein and, except as aforesaid, the Issuer is not responsible for any statements made in this Limited Offering Memorandum. Except for the execution and delivery of documents required to effect the issuance of the Series 2025 Bonds, the Issuer has not otherwise assisted in the public offer, sale or distribution of the Series 2025 Bonds. Accordingly, except as aforesaid, the Issuer assumes no responsibility for the disclosures set forth in this Limited Offering Memorandum.

PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By Provident Resources Group Inc.,
its sole member

By _____
Steve Hicks, Chief Executive Officer

APPENDIX A

PALM BEACH ATLANTIC UNIVERSITY, INC.

The information contained herein and included as Appendix A to this Limited Offering Memorandum has been provided by Palm Beach Atlantic University, Inc. (“PBA” or the “University”), in reliance where noted on certain additional resources.

INTRODUCTION

The following information is provided by the University in connection with the issuance of the Series 2025 Bonds.

Unless otherwise indicated by the context, all capitalized terms used herein and not otherwise defined have the respective meanings set forth in the forepart of this Limited Offering Memorandum. All utilization and financial data for any year refers to the fiscal year ended June 30, 2024 and the source of such data is records of the University. All referenced municipalities are located in Florida (the “State”) unless otherwise noted herein.

OVERVIEW OF THE UNIVERSITY

The University is a comprehensive, interdenominational Christian university founded in 1968. The University’s main campus (the “Main Campus”) is located in the city of West Palm Beach, Florida. The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award bachelor’s degrees, master’s degrees, a Ph.D. in Practical Theology, a doctor of pharmacy degree, and a doctor of nursing practice degree.

The University offers the opportunity to study in various academic disciplines, both on campus and online. The college/schools at the University include the School of Arts and Sciences, College of the Arts, School of Nursing, Rinker School of Business, School of Education and Behavioral Studies, the Gregory School of Pharmacy and the MacArthur School of Leadership. Fall 2024 enrollment at the University included 2,603 traditional undergraduate students, 835 graduate students and 709 non-degree seeking students. The University has approximately 58% of undergraduate students living on campus in residential housing.

HISTORY AND MISSION

The University was founded in 1968 as a coeducational Christian liberal arts university. The first classes at PBA, formerly Palm Beach Atlantic College, were held in the fall of 1968 in downtown West Palm Beach, in the former facilities of the First Baptist Church. PBA held its first graduation in the spring of 1972, and later that year received initial accreditation from the regional accrediting association.

The University’s Main Campus is located on Flagler Drive with stunning views of the Intracoastal Waterway and is steps away from Palm Beach. Over the years, the Main Campus has expanded to approximately 20 acres of land from the Intracoastal Waterway west along Okeechobee Boulevard to Dixie Highway, south to Jefferson Street, and back east to the waterway. The first building, the Lassiter Student Center, was occupied in 1983. The newest building, Watson Hall, was constructed in 2020. The 76-acre Rinker Athletic Campus, home to the University’s outdoor athletics, is located 1.8 miles from the Main Campus. The University also operates an extension site in Orlando for graduate counseling and undergraduate nursing students.

Throughout its history, the University has expanded in acreage, facilities, programming, and student enrollment. Constant throughout this history are three fundamental values: a commitment to the teachings of Christ, a drive to instill a love for American values and the free enterprise system, and a passion for community service. Palm Beach Atlantic University equips students to grow in wisdom, lead with conviction and serve God boldly.

UNIVERSITY LEADERSHIP

Governance

The University is governed by the Board of Trustees (the “Board”, and each individual a “Trustee”), which can consist of 15 to 30 members. The Board currently has 28 members. Trustees serve for three-year terms and are eligible for re-election upon the expiration of each term for up to three consecutive terms. The Board is responsible for the University’s financial health and welfare and exercises general, academic, and financial policy making functions as prescribed by law. The Board exercises ultimate institutional authority as set forth in the University’s By-Laws and in other policy documents Trustees deem to be appropriate.

Officers of the University include the Chairman of the Board, Vice Chair, Secretary, Treasurer, President, Provost and one or more members of the President’s Cabinet. The Chair, Vice Chair, Secretary, and Treasurer are elected annually. The Chair ordinarily serves three consecutive years but not more than five consecutive years.

The following table lists the voting members of the Board, the year of their initial election, and their professional affiliation.

Board Member	Initial Election	Professional Affiliation
Thomas P. McCaffrey Chair and acting Treasurer, elected for 2024	2016	Business Executive (retired)
Chandra Bill-Rabenecker Vice Chair, elected for 2024	2004	Chick-fil-A, Royal Palm Beach and The Mall at Wellington Green
Wayne W. Cotton Secretary, elected for 2024	2001	Cotton Consulting Group
The Rev. Walter B. Arnold III	2001	First Presbyterian Church of North Palm Beach (retired)
Ginger Bills	2015	Community Leader
William C. Bradford	1989	Hanson Professional Services Inc.
Cathleen Burk	1998	Attorney
Dr. Terriel Byrd	2024	Living Word Christian Community, Emeritus Faculty of PBA
Mark H. Campbell	2020	Campbell CFO Services, LLC

Charles R. Dorsey Jr.	1990	Trustee Emeritus
Kim Elliot	2024	Community Leader
John P. Greene III	1982	Trustee Emeritus
Dr. John Gregory	2006	Trustee Emeritus
Scott G. Hawkins, Esq.	1994	Jones Foster
James C. Jenkins	1995	Esko, Inc.
James J. Johnston	2021	Business Executive (retired)
R. Marshall Jones	1996	Jones Lowry
Mami Kisner	2001	Tabernacle Missionary Baptist Church
Patrick C. Koenig	2016	Flagler Realty & Development, Inc.
Richard A. Krause	1986	Theodore R. and Vivian M. Johnson Scholarship Foundation Inc.
Grace Kurian	2023	NextEra Energy, Inc.
John W. Little III, Esq.	2005	Gunster Law Firm
Sara McCann	2024	Hive
Dr. Robert Pacienza	2024	Coral Ridge Presbyterian Church
Dr. Thomas R. Pledger	1980	Trustee Emeritus
Sandy Rogers	2023	Founder and leader of Franklin Covey's Loyalty Practice
Steven G. Scalici	2018	UBS Financial Services, Inc.
Dr. James H. Scroggins IV	2010	Pastor Family Church West Palm Beach
Robert W. Simpson	1999	Trustee Emeritus
Susan Sorrell	2022	NFI Consumer Products
Timothy S. Sotos	2012	Business Executive (retired)
The Hon. W. Matthew Stevenson	1995	Trustee Emeritus
Karl H. Watson, Sr.	1997	CEMEX (retired)
Karl H. Watson, Jr.	2020	Baker Construction Enterprises, Inc.

Administration

While the Board sets institutional policies, the President and the University's senior management team have overall responsibility for policy implementation and for the general administration of the University. The University's senior management team consists of the following senior managers: Provost and Chief Academic Officer, Executive Vice President for Advancement, Vice President for Finance & Administration and Chief Financial Officer, Chief Legal Officer and General Counsel, Vice President for Human Resources, Vice President for Student Development, Vice President for Enrollment Management, Vice President for Information Technology Services and Chief Information Officer, and Director of Athletics.

Biographies of the members of the President's senior management team are summarized below:

Dr. Debra A. Schwinn (President), 67 – B.A., College of Wooster; M.D., Stanford University School of Medicine. Dr. Debra A. Schwinn became the University's ninth President on May 4, 2020. Previously she was the Associate Vice President for Medical Affairs, Dean of the Carver College of Medicine, and Professor of Anesthesiology, Pharmacology and Biochemistry at the University of Iowa. Prior to those appointments, Dr. Schwinn served in senior leadership roles at the University of Washington and Duke University. After earning a bachelor's degree in chemistry from the College of Wooster in her native Ohio, Dr. Schwinn earned a medical degree from the Stanford University School of Medicine where she has also been honored as a distinguished alumnus. A physician scientist and member of the National Academy of Medicine, Dr. Schwinn's laboratory was funded for 27 years by the National Institutes of Health.

Dr. Stephen P. Johnson (Provost and Chief Academic Officer), 49 – B.Mus, Moody Bible Institute; MMus, DePaul University; D.M.A., University of Southern California. Dr. Johnson joined the University as Provost and Chief Academic Officer in January 2024. Prior to joining PBA, Dr. Johnson most recently served as Vice Provost and as a professor at Azusa Pacific University, including serving as Interim Provost in 2022-2023. As Interim Provost, Dr. Johnson worked to stabilize enrollment, nurture relationship with faculty, build cross-disciplinary partnerships, and raise funds for student scholarships, capital projects, and the endowment. He also served as founding dean of Azusa Pacific University's College of the Arts, which under his leadership introduced innovative degrees in animation, art education, digital media and communication, games and interactive media, music industry strategic communication, and user experience design.

Laura Bishop (Executive Vice President for Advancement), 54 – B.A., Oral Roberts University. Laura Bishop came to the University in July 2020 from Oral Roberts University ("ORU") in Tulsa, Oklahoma, and is an ORU graduate. At ORU, she served as Vice President of Development and Alumni Relations, then in an expanded role as Vice President of Advancement. Prior to joining ORU, she served as executive director of the National Christian Foundation and Lifework Leadership in Fort Lauderdale. She was director of Development and Communications for Habitat for Humanity of Broward County and Westminster Academy.

Dr. Stacie A. Bowie (Executive Vice President for Finance & Administration and Chief Financial Officer), 55 – B.A., University of Maryland; M.B.A., Coastal Carolina University; D.B.A., Rollins College. Dr. Bowie became Executive Vice President for Finance & Administration and Chief Financial Officer at the University, effective February 2022. Dr. Bowie arrived at PBA with 30 years of experience in financial and operational leadership in higher education and private industry. Most recently, she served as Vice President for Finance and Administration at Lander University in South Carolina. Dr. Bowie refinanced foundation debt for significant annual savings and improved cash flow; led emergency management when the campus closed due to COVID-19 and prepared the campus for the return to campus;

and maintained positive cash flow and operational income. Dr. Bowie also served as Treasurer for Lander University's foundation and as a manager for three University LLCs.

Steve Alderman (Chief Legal Officer and General Counsel), 55 – B.S., Houghton College; M.B.A., University of Denver; J.D., University of Denver. Steve Alderman became Chief Legal Officer and General Counsel at the University, effective March 2022. Mr. Alderman came to PBA with more than 20 years of leadership experience in human resources and financial operations, as well as 13 years as General Counsel, spanning both nonprofit higher education and industry. Most recently, he worked for South Texas College of Law Houston for more than 16 years. He was promoted four times, culminating in his serving as Chief Operating Officer and General Counsel. Mr. Alderman was involved in many critical projects, including co-leading the law school's response to COVID-19; assisting with the modernization of accounting and finance, human resources, and general operations; providing significant leadership in the development of an online Juris Doctor program; and serving as the "lawyer for the lawyers."

Cara Wald (Vice President for Human Resources), 49 – B.S., M.S., Bethel University (MN). Cara Wald came to the University in July 2022 from Bethel University in Saint Paul, Minnesota, where she served in the Human Resources department since 1997, most recently as Vice President of People and Culture. Ms. Wald was a key advisor and direct report to the President, and a winner of the Bethel University's Excellence in Management Award.

Courtney Lovely Evans (Director for Athletics), 42 – B.F.A., Valdosta State University; M.S., Georgia State University. Ms. Evans came to PBA in August 2015 as the Senior Associate Athletic Director for Internal Operations, Senior Woman Administrator and Title IX Deputy Coordinator. Ms. Evans was appointed Director for Athletics in June 2019. Prior to arriving in West Palm Beach, Ms. Evans served at the NCAA National Office in Indianapolis as an Assistant Director in Academic and Membership Affairs. Ms. Evans previously served as the assistant to the Director of Athletics at Georgia State University in Atlanta, Georgia.

Dr. Nancy Brainard (Executive Vice President for Enrollment Management and Student Experience), 54 – B.A., Oral Roberts University; M.S., Boston University; Ed. D, Oral Roberts University. Dr. Brainard leads the Enrollment Management division at PBA, which comprises the Admissions and Financial Aid teams and focuses on recruitment of new undergraduate, graduate, and online learners. Dr. Brainard came to PBA in July 2021 from Oral Roberts University in Tulsa, Oklahoma, where she served as Vice President for Enrollment Management since 2007.

Scott Barnes (Vice President for Information Technology Services/Chief Information Officer), 62 – B.S., Robert Morris University; M.S., Geneva College. Scott Barnes came to PBA in August 2021 from Geneva College, a private, Christian school in Beaver Falls, Pennsylvania, where he served as Vice President of Information Technology Services/CIO. Prior to that, Mr. Barnes served as Director of Information Services at UPMC Children's Hospital of Pittsburgh.

Faculty and Staff

As of Fall 2024, the University's faculty was composed of 180 full-time and 274 part-time members. Of the full-time members, 84% hold the highest degree in their field.

The following chart shows the number of full-time and part-time faculty from 2020 to 2024.

Academic Year*	Number of Full-Time Faculty	Number of Part-Time Faculty	Total
2020	178	193	371
2021	163	162	325
2022	154	243	397
2023	168	167	335
2024	180	274	454

* As of fall semester.

For the academic year 2024-25, the average undergraduate student to faculty ratio is 13 to 1. In addition to faculty, as of November 1, 2024, the University employed 329 full-time staff, 25 part-time staff and 419 student employees.

PROFILE OF THE UNIVERSITY

Accreditation and Membership

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate's degrees, bachelor's degrees, master's degrees, a Ph.D. in Practical Theology, a doctor of pharmacy degree, and a doctor of nursing practice degree. The University's accreditation was initially granted in 1972, with its next reaffirmation scheduled for 2028.

The University has received specialized accreditation, certification or licensure from the following:

- (a) Accreditation Council for Pharmacy Education;
- (b) Association to Advance Collegiate Schools of Business;
- (c) Association of Christian Schools International;
- (d) the Commission on Accrediting of the Association of Theological Schools;
- (e) Commission on Collegiate Nursing Education;
- (f) Florida Board of Nursing;
- (g) Florida Department of Education;
- (h) National Association of Schools of Music;
- (i) Council for Accreditation of Counseling & Related Educational Programs; and
- (j) National Strength and Conditioning Association.

Rankings, Awards, and Accolades

Over the years, the University has successfully gained State and national recognition, including the following distinctions:

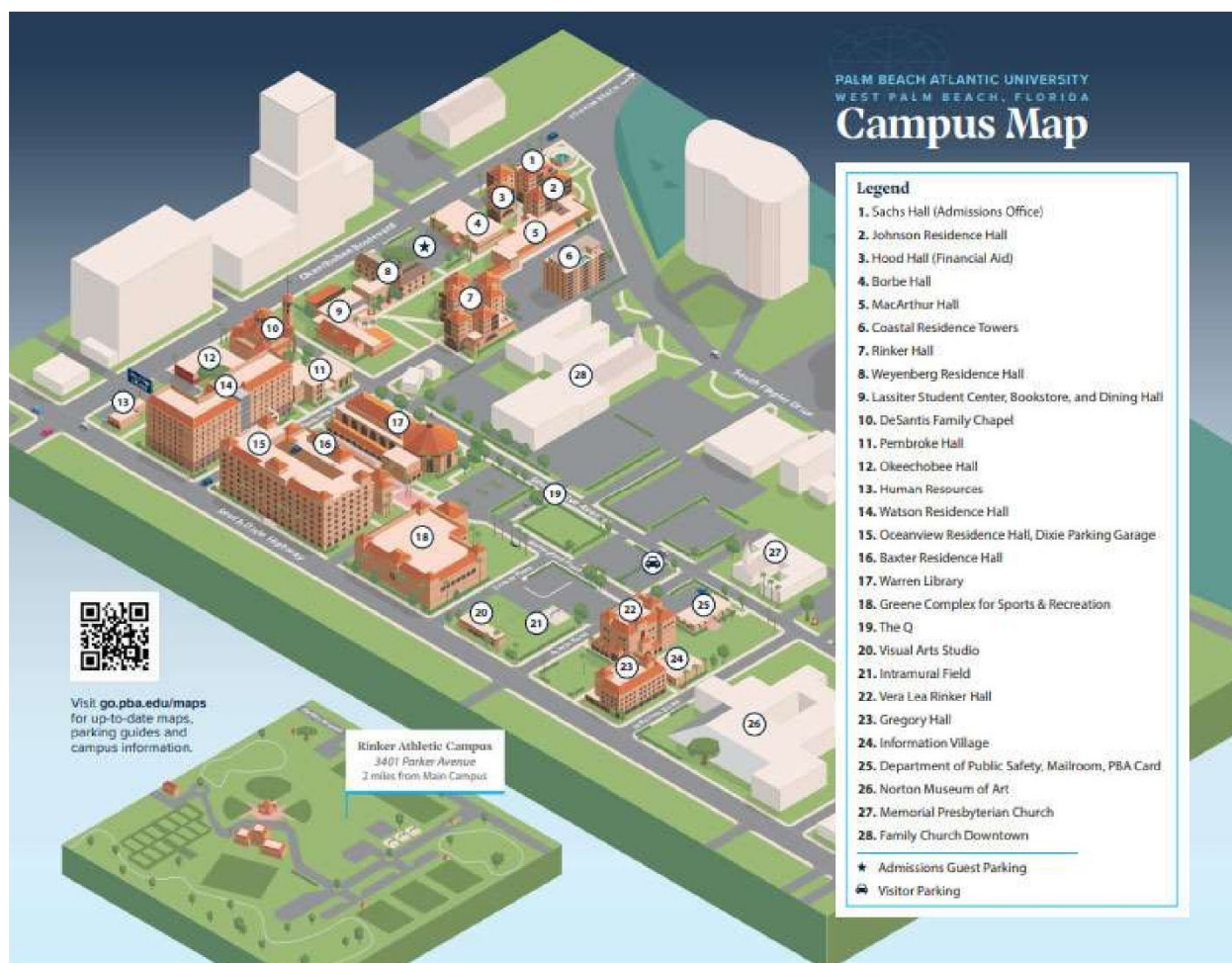
- (a) ranked #20 (top 10%) for top winning overall programs by Broadcast Education Association Festival of Media Arts nationwide (2024). Ranked #8 for top winning film and video programs and ranked #4 for top winning scriptwriting programs;
- (b) ranked as a 2023 Best for Veterans University by Military Times (BestForVets.com);
- (c) Lloyd L. Gregory School of Pharmacy received #4 place in NAPLEX pass rates in Florida (2022);
- (d) ranked among the Top 25 MBA Programs in Florida (Top Management Degrees, 2021);
- (e) ranked among the 2024 Best Regional Colleges (The Princeton Review, 2024);
- (f) ranked among the Top 25 Best MBA Programs in Florida (University HQ, 2021);
- (g) ranked among the Best Bachelor in Forensic Science (Best Accredited Colleges, 2022);
- (h) ranked among the Best Nursing Schools (Nursing Schools Almanac, 2022); and
- (i) PBA's Fall 2022 growth outpaces all national averages among private nonprofit four-year universities (National Student Clearinghouse Research Center, 2022).

University Facilities

The University's primary academic campus is situated on 20 acres comprising 23 buildings, which includes eight residence halls. The University has an ongoing maintenance and renovation program and, as a result, University leadership believes that the University has a manageable plan for identifying and addressing deferred maintenance projects.

The University's 76-acre Rinker Athletic Campus is located 1.8 miles south of the Main Campus. The University also operates an extension site in Orlando for graduate counseling and undergraduate nursing students. This leased facility is located just off I-4 near the Millenia Mall. A map of the Main Campus is shown below¹.

¹ Although located on the Campus, the map does not contemplate the Series 2025 Project.



Campus Amenities

The University seeks to achieve a balance of academics and faith integration by encouraging an active and energized co-curricular life for students. There are a variety of ways for students to get involved in campus life, including a number of student clubs and organizations, on-campus events, meeting places and dining, and an active Christian community. Campus amenities include on-campus dining, campus recreational facilities, a health and wellness center, and a campus bookstore.

STRATEGIC PLAN

Palm Beach Atlantic University is a Christ-first university directed by its guiding principles, mission, statement of purpose, and vision. The University's Strategic Plan incorporates the University's mission by developing along four themes: Spiritual Vitality, Engaged Learning Environment, Financial Sustainability, and Strategic Growth and Innovation.

Evaluations and updates to the plan are periodically reviewed with Trustees, faculty, staff, students, alumni and the West Palm Beach community.

Spiritual and Academic Vitality

The University's campus is a place where Christian faith and academics inform all that students do. PBA prepares students to be servant leaders in whatever role they take in society.

Engaged Learning and Teaching Environment

The University's goal is that students grow in wisdom, stature and favor with both God and society, through high academic standards and intentional faith/academic integration. Supporting faculty and staff contribute to a positive learning experience. PBA is committed to continuing attainment of the highest level of accreditation for each discipline, expanding its Ph.D. programs, and adding in-demand undergraduate majors and advanced degree programs in the future.

Financial Sustainability

The University is well positioned to meet its current financial needs as well as future expansions of both program scope and market reach. Efficiencies are constantly pursued to maximize proper Christian stewardship of resources. The new majors outlined in "ACADEMIC PROGRAMMING" below allow the University to maintain attractiveness to students and families.

The University's four main projected revenue streams for the next ten to fifteen years are as follows:

- (a) tuition, housing, fees (revenue is conservatively budgeted to increase only 25% over this time period, despite higher levels of projected enrollment growth);
- (b) endowment growth (to \$500 million in the next five to ten years with a stretch goal of \$1 billion; this is possible considering many friends of the University live on Palm Beach, just across the Intracoastal Waterway, and also because of the influx of people and companies moving to the area);
- (c) online revenue increases (PBA is beginning to invest in its online programs that integrate faith and academics. PBA plans to offer these programs in English across the country and world, as well as bilingually (in English and Spanish) for South Florida and South America. After investing in and growing the program in the next two to three years, profits gained will be used to supplement the West Palm Beach and Orlando campuses); and
- (d) campus land development as a new source of sustainable income (PBA in West Palm Beach sits on highly valued real estate, and developing multiple use buildings as mentioned below under "Strategic Growth & Innovation" will provide a new, sustainable revenue source for PBA).

Strategic Growth & Innovation

The University's Main Campus is located on valuable real estate in downtown West Palm Beach, Florida along the Intracoastal Waterway. The University also owns a separate athletic campus, 1.8 miles south of the Main Campus near the Palm Beach International Airport. The University leases its Orlando branch campus, which is located in the growing southwest part of Orlando. South and Central Florida continue to outpace most parts of the United States in population growth and are already minority-majority. PBA is uniquely poised to grow and diversify, and therefore PBA's initiatives can serve as a model for other Christian (and more general liberal arts) universities as they create a path forward into the future.

At PBA, growth is deliberate and calculated to maximize effectiveness. Mechanisms are in place to create a culture that promotes both breakthrough and sustaining innovation. In coming years, the University aims to increase Main Campus enrollment to 5,000 students, in addition to growing online programs.

Recent and proposed growth at the Main Campus includes:

(a) Launching of its first Ph.D. program (in Practical Theology) in Fall 2021. PBA received approvals from the Association of Theological Schools Commission on Accrediting (ATS) and the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) in Summer 2021 with consistently strong enrollment. Going forward, the University will be examining other Ph.D. programs that build upon current PBA academic strengths, and which are financially sustainable, in areas such as nursing and counseling (clinic psychology).

(b) Launching a M.M.S. Physician Associate Medicine program. In 2021, PBA hired the founding director of this program, and the first entering class is anticipated in October 2025 (pending accreditation). Over 275 applications were received for the 56 available spots in the PA program since the application launched in early March 2025.

(c) B.S. in Engineering program launched in fall 2023 with four concentration options: engineering physics, electrical engineering, computer engineering and general engineering.

(d) New majors are being developed (e.g. analytics, cybersecurity with enhanced computer science degrees, health science related areas, and other programs designed to equip PBA's students for a changing world). Three course certificate programs are also being emphasized to provide flexibility in learning for undergraduates/graduates as well as a way to reinvent oneself post-graduation as a working adult.

(e) A dynamic Flagler Cultural Park within the West Palm Beach downtown area (consisting of the University, the Norton Art Museum, Sculpture Park on the water, condo development, and art walks throughout campus). This would be an area that visitors to South Florida might identify as a key location to visit while in Florida, while also being connected to Orlando and Miami via the Brightline rapid train system. The Brightline station is six blocks from the University's Main Campus in downtown West Palm Beach.

ACADEMIC PROGRAMMING

Undergraduate Majors

All undergraduate majors at the University are structured with a minimum of 120 credits required for graduation, a minimum of 43 credits of which must be in the Faith, Roots, and Reason (General Education) Program. The University has 73 Traditional Day Undergraduate Majors for the 2024-25 academic year and over 100 degree and certificate pathways. Each major has multiple possible coursework paths and options students may pursue. Aided by the University's Prestigious National Scholarship Program, 16 PBA students and one faculty member have received the Prestigious Fulbright Award since 2018.

Degree	Program Title
Bachelor of Arts	Art Education, Grades K-12; Apologetics; Biblical Studies; Business Administration; Christian Community Development; Christian Studies; Cinema Arts; Communication; Communication Studies; Dance; Digital Storytelling; English; English/Secondary Education, Grades 6-12; Gaming and Interactive Design; Global Leadership in Spanish; Graphic Arts; History; Intercultural Studies; Interdisciplinary Studies; Journalism; Ministry; Ministry Leadership Studies; Music; Philosophy; Philosophy, Politics, and Economics; Popular Music Industry; Pre-law; Public Relations; Sports Broadcasting; Studio Art; Theatre Arts; Politics; Theological Studies
Bachelor of General Studies	General Studies
Bachelor of Music	Instrument Performance; Keyboard Performance; Music Education, Grades K-12; Music in Worship Leadership; Voice Performance
Bachelor of Science	Accounting; Behavioral Neuroscience; Biology; Business Administration; Business and Law; Chemistry; Business Data Analytics; Business Economics; Chemistry; Community Psychology; Computer Science; Elementary Education, Grades K-6 with ESOL; Engineering; Entrepreneurship and Franchising; Exercise Science; Finance; Forensic Science; Human Performance and Sport; International Business; Leadership and Organizational Behavior; Management; Marketing; Mathematical Economics; Mathematics; Mathematics/Secondary Education, Grade 6-12; Medicinal and Biological Chemistry; Organizational Leadership; Physical Education, Grades K-12; Psychology
Bachelor of Science in Nursing	Nursing; Nursing (RN-BSN)
Bachelor of Fine Arts	Cinema Arts; Dance; Theatre; Graphic Design

The most popular majors for the Fall 2024 semester among traditional undergraduate students included Nursing, B.S.N (13%), Biology, B.S. (8%), and Business Administration (6%).

Graduate Programs

The University offers 16 master's degrees, two doctoral programs and a doctor of philosophy degree.

Degree	Program Title
Doctor of Nursing Practice	Doctor of Nursing Practice (Tracks in: Family Nurse Practitioner; Adult-Gerontology Primary Care Nurse Practitioner; Executive Leadership; Psychiatric Mental Health Nurse)
Master of Arts	Christian Studies; Intercultural Studies; Philosophy of Religion; Community Transformation and Chaplaincy
Master of Divinity	Divinity
Master of Science	Business Data Analytics; Clinical Mental Health Counseling; Community Development; Computer Science; Educational Leadership; Ethics and Organizational Behavior; International Development; Health Science; Intercultural Studies
Master of Science in Nursing	Health Systems Leadership
Master of Accountancy	Accountancy
Master of Business Administration	Business Administration; joint MBAs also offered with the Master of Divinity degree, Master of Science in International Development, and Doctor of Pharmacy
Doctor of Pharmacy	Pharmacy
Doctor of Philosophy	Practical Theology

Online Programs

The University offers online undergraduate degrees in Business Administration B.S. and B.A., Business Data Analytics, Christian Studies, Communication Studies, Community Psychology, Gaming and Interactive Design, Global Leadership (in Spanish), Organizational Leadership, Ministry, and RN to BSN. Online graduate programs include those in Business Administration, Computer Science, Education Leadership, Ethics & Organizational Behavior, and Doctor of Nursing Practice (Executive Leadership and Post-Master's tracks). The University also offers online certificates in Crisis and Trauma Counseling, Leadership, Bible, and Cultural Apologetics.

ENROLLMENT

Student Enrollment

The following table reflects the University's headcount and full-time equivalent (FTE) enrollments for traditional undergraduate and graduate programs, for the Fall 2020 through 2024 semesters.

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Fall Headcount:					
Traditional Undergraduate	2,370	2,279	2,397	2,427	2,603
Graduate	782	849	801	781	835
Non-Traditional Undergraduate	<u>552</u>	<u>551</u>	<u>631</u>	<u>667</u>	<u>709</u>
Total Fall Headcount	3,704	3,679	3,829	3,875	4,147
Fall Full-Time Equivalent (FTE):					
Undergraduate	2,465	2,361	2,535	2,575	2,757
Graduate	<u>644</u>	<u>761</u>	<u>604</u>	<u>614</u>	<u>606</u>
Total Fall FTE	3,109	3,122	3,138	3,189	3,363
New Student Enrollment – Traditional Undergraduate:					
New First-Time First-Year Students	537	505	698	690	841
New Transfer Students	181	158	135	164	173
Fall Headcount by Enrollment Status:					
Full-Time	2,812	2,843	2,793	2,847	2,972
Part-Time	892	836	1,027	1,028	1,175

Gross tuition revenues for the University for the fiscal year ended June 30, 2024 were \$103 million, an increase of approximately \$21.7 million over the prior fiscal year.

Admissions and Retention

The following tables illustrate the admissions statistics, undergraduate demographics, and retention and graduation rates for the University for the last five fiscal years. Externally reported retention and graduation rates are based on the cohort of entering first-time, full-time, undergraduate and degree-seeking students. These retention and graduation rates are comparable to the University's peers among private four-year colleges and universities.

Traditional Undergraduate *

	Applications	Acceptances	% Accepted	Enrolled	% Enrolled to Accepted	Mean ACT Scores
2020-21	1,652	1,535	93%	537	35%	25
2021-22	1,923	1,728	90	505	29	24
2022-23	6,290	5,900	94	698	12	23
2023-24	7,266	6,759	93	680	10	22
2024-25	10,335	8,474	82	841	10	22

* As reported to Integrated Postsecondary Education Data System (IPEDS).

As of May 5, 2025, the University has received 10,809 completed applications, admitted 9,154 students (an approximately 84.7% acceptance rate), and collected 1,127 deposits for Fall 2025, 196 more deposits than collected at this time in 2024.

Undergraduate Demographics

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Male	35%	37%	34%	34%	36%
Female	65	63	66	66	64
White/Caucasian	57	58	57	51	57
Minority	35	32	37	36	36
International/Undisclosed	9	3	6	13	7
In-State	72	66	69	49	49

Freshman to Sophomore Retention

Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
75.0%	71.0%	76.0%	67.0%	68.0%

Six-Year Graduation Rates

	2019-20	2020-21	2021-22	2022-23
Cohort Year	2014	2015	2016	2017
Bachelor's Degree Seeking Rate	58%	61%	56%	59%
Overall Graduation Rate	58%	61%	56%	60%

The Fall 2024 entering undergraduate freshman class of students had representatives from 49 states (including Florida) and 75 countries (including the United States); 51% of the class was from outside of Florida. The mean SAT composite score for incoming freshman in fall 2024 was 1079.

Degrees Conferred

The University has awarded the following number of degrees in the academic years indicated below:

	2019-20	2020-21	2021-22	2022-23	2023-24
Undergraduate	471	454	443	428	456
Graduate	<u>288</u>	<u>196</u>	<u>192</u>	<u>268</u>	<u>257</u>
Total Degrees Conferred	759	650	635	696	714

Enrollment and Retention Strategy

With the appointment of Dr. Debra Schwinn as President in 2020, PBA's Board of Trustees initiated an era of change and growth at the institution. Under Dr. Schwinn's leadership, PBA is focused on achieving the goals in its strategic plan, including increasing enrollment at the university. In each of fall 2022, fall 2023, and fall 2024 the University enrolled its largest incoming classes of traditional undergraduate students, and the fall 2025 class has already received more net deposits than the final fall

2024 deposit count. The University attributes the significant enrollment increases in these three years to initiatives undertaken by its Executive Vice President for Enrollment and Student Experience, Dr. Nancy Brainard, to raise awareness about PBA in targeted markets across the United States through recruitment marketing and travel, bolster and significantly expand opportunities to visit campus, and increase PBA's presence on digital and social media platforms used by high school students in their college search. Additionally, PBA's application for admission became available on the Common App platform in 2021 and in 2023 the University launched a new website with enhanced focus on search engine optimization.

Much of PBA's growth from 2022 to 2024 can be attributed to a strategy of systematically promoting the University to markets identified as primary, secondary and tertiary across the United States through various channels to high school sophomores, juniors and seniors, creating a pipeline of interested prospects to cultivate annually. The Fall 2024 cycle is the first in which the entering class was comprised of students impacted by this new strategy, having been introduced to PBA in 2022 as high school sophomores. The opportunities created by this longer communication runway have facilitated recruitment success for the university. PBA admissions counselors are able to visit prospective students in their home states, and the students have time to learn more about and visit campus, develop affinity for and get to know faculty and current students, and decide to attend PBA. As a result, PBA's student body has shifted from being comprised of 69.5% Florida residents in 2020-21 to 49% in Fall 2024. Notably, admissions of students from the State or Texas grew approximately 106% from fall of 2023 to fall of 2024 and the growth of admitted international students has grown over 230% since fall of 2021.

President Schwinn has emphasized the importance of increasing selectivity to further improve the academic caliber of students at PBA. As a result, the acceptance rate for PBA has been incrementally declining, from 92.9% in Fall 2020 to 82.0% in Fall 2024. Nevertheless, the increase in applications has led to an increase in admitted students, despite the enhanced selectivity. Fall 2024 enrollment included 958² new freshman and transfer students among 2,603 undergraduate students participating in traditional undergraduate programs in the Fall 2024 semester.

Growth in graduate study and online learning in Fall 2021 is indicative of the focused effort of the University to develop new streams of enrollment through program development alongside increased efforts in student retention. Recently developed programs, such as the PhD in Practical Theology, the MA in Community Transformation and Chaplaincy, an MDiv with a concentration in Black Church Studies, and the MA in Intercultural Studies have resulted in strong enrollment. In Fall 2024, the university's pharmacy program had its strongest enrollment in five years. The newly developed M.S. Physician Associate program is anticipated to launch in Fall 2025. After its application launch in early March, the program already has over 275 for only 56 spots.

In addition to adding new programs, the University will continue to rethink existing programs to meet contemporary needs and reach new audiences. To meet the needs of international students, the MBA program is developing new tracks to classify it as a STEM program, and the MS in Computer Science moved some courses on-ground in Fall 2024 to meet visa requirements. The MS in Leadership has been refocused as the MS in Ethics and Organizational Behavior to differentiate itself in a crowded leadership market. The School of Ministry launched a Spanish language MDiv and associated concentration in Fall 2024 Enrollment in PBA Online is at its highest level with over 200 students pursuing undergraduate, graduate, and certificate programs online. This can be attributed to an increased attention to marketing, recruitment, and retention efforts. In 2021, PBA adjusted its staffing structure to better manage online student recruitment, adding dedicated staff to online student recruitment alongside a team of success

² 1,014 if online students are included.

coaches, devoted to graduate and online student onboarding and retention. The admissions office worked to streamline the admissions process, removing the application fee and essay requirements.

An in-depth market analysis of PBA undergraduate students was conducted in 2019 by Carnegie Dartlett. Key market segments were identified through extensive qualitative and quantitative research efforts spanning nearly a year. The resulting analysis and recommendations have driven PBA's marketing and rebranding efforts in academic year 2020-21, and targeted messaging to key prospective undergraduate market segments has been crafted and implemented. In academic year 2021-22, a significant investment in the University's website implemented the research findings, re-branding of the University, and installation of the necessary online scaffolding upon which a search engine optimization strategy will be built.

In 2024 President Schwinn announced the creation of a department for Enrollment and Student Experience to unite admissions and student retention under the leadership of Dr. Brainard. This department oversees activities central to both new and existing students, allowing for a continuum of care for students as they apply, matriculate, and persist at the University. Within the Enrollment and Student Experience department are the Enrollment Management, Student Engagement and Student Life teams. The Student Engagement team is newly formed and comprises both undergraduate and graduate Student Success Coaches who provide assistance to students in navigating the structures and processes of the university. The University is also deploying a new Retention Management System, Navigate360. Navigate360 will support PBA by helping students set academic goals, access personalized resources, and stay on track for graduation through its intuitive platform. For faculty and staff, it will streamline advising with real-time student data, enable proactive outreach to at-risk students and foster collaboration across departments through coordinated Care Units such as Academic Support for Financial Assistance, for example.

University management believes that the activities underway to continue to raise awareness of the University across the United States and abroad, coupled with a disciplined and enhanced enrollment strategy and the addressing of critical technological infrastructure needs, position PBA in good stead to continue its trajectory in terms of enrollment growth. For example, FAFSA applications from potential students that reside outside of the state of Florida have risen approximately 109% from 2021 to 2024. Overall, FAFSA applications received for the 2025-26 school year exceed 6,600, which is pacing ahead of the last three enrollment cycles

Residential Life

The University currently owns eight residence halls and residential units in an off-campus apartment complex; rents apartments in separate off-campus apartment complexes; and manages one residence hall not owned by the University (see below for a description of Watson Hall), which in the aggregate accommodate approximately 1,570 students on or near the Main Campus. The residence halls are a combination of traditional underclassmen housing options (without kitchens) as well as apartment-style complexes (with kitchens in suites). The table below shows residence hall occupancy from Fall 2020 to 2025, which statistics include the residence hall not owned by the University. Occupancy data was collected from reports that are consistent with the established University census date.

Fall Semester	Beds Available	Occupied	Percentage Occupied
2020	1,217	1,133	93.10%
2021	1,228	1,201	97.80
2022	1,407	1,398	99.36
2023	1,465	1,392	95.04
2024	1,570*	1,511	96.24

* 1,444 beds are currently on campus with 126 master leased beds.

The University established a committee in 2018 to review its then-current housing policies. The committee made four major adjustments to its Residence Life Handbook that are meant to increase the residential life population, increase retention as well as decrease housing cancellations and exemptions. Those changes include:

- (a) changed residency requirement – for Fall 2025, all full-time day undergraduate students are required to live in campus housing, unless the student is age 22 or older on the first day of classes at the beginning of the fall semester (prior policy was at age 20 years). Students who are 22 years old at the start of the fall semester may live on campus but are not required to do so;
- (b) adjusted housing selection process to give priority to upperclassmen wanting to stay in on-campus residence;
- (c) limited and adjusted criteria for automatic exemption from housing to decrease requests and limit exemptions given; and
- (d) increased housing cancellation fees and creation of a cancellation fee schedule to discourage last minute cancellations and to recover some revenue for such housing.

Student housing on campus has been a key factor in the decision of students, and their parents, regarding whether or not to attend or continue to attend the University. In order to help meet the demand for student housing and beds for student, the University master leases beds through current off campus housing options. For the 2024-25 and 2025-26 academic years, the University has master leased 126 such beds. Despite master leasing beds off campus, the University anticipates a deficit of available beds to be 160 and 324 for academic years 2024-25 and 2025-26, respectively. Following completion of the Series 2025 Project, the University bed count will increase by approximately 41% and it is anticipated that the master leased beds will no longer be needed. Additionally, when the new residence hall opens in Fall 2027, the University plans to decommission three residences halls and the Malverne apartments and terminate all master leases for off-campus apartments. These actions will reduce the current housing supply by 343 undergraduate beds.

In December 2019, the University entered into a contract to sell property on Flagler Drive in West Palm Beach (the “Flagler Property”), comprised of two apartment-style residence halls with 322 total beds. The sale closed during the 2023 calendar year. Also in 2019, the University entered into a public-private partnership to construct a student apartment-style housing now known as Watson Hall, with 502 revenue-generating beds (510 total capacity).

Watson Hall, was established through a 40-year ground lease with Provident Group – PBAU Properties LLC and Provident Resources Group Inc., commencing June 1, 2019, in which the owner designed and constructed Watson Hall, a 510-bed, 163,000 square foot student housing facility and related common space for the benefit of the University. The owner and developer of the property issued revenue bonds through Palm Beach County, Florida to finance the construction of Watson Hall. In this public-private partnership, the University is not contingently liable in the event of a default on those bonds. Those bonds will be repaid from the revenues of Watson Hall. The University is not responsible for debt service payments on those bonds. The owner of Watson Hall received a certificate of occupancy from the City of West Palm Beach in August 2020. University students began occupying the facility beginning in the Fall semester of 2020. Since its opening, Watson Hall has had occupancy rates of 96-99%, with waiting lists established each year. See the table titled “Occupancy Report” below.

Tuition and Fees

Since Fall 2020, the University has experienced a cumulative traditional undergraduate tuition rate increase of 19.8%, with an average annual rate increase of 4.6%.

The University assesses its tuition strategy for each upcoming year in conjunction with its enrollment consultant, CollegeRaptor. Prior year applicant and matriculation activity is studied, along with a survey of the competitive environment and general market conditions to determine a range of possible rates. Advanced econometric modeling through CollegeRaptor provides recommendations on enrollment expectations at various tuition rates, in order to maximize anticipated net tuition revenue. The following tables show the University's undergraduate and graduate tuition, fees and room and board charges per student, along with the annual percentage increase of total charges, for the past five academic years.

Undergraduate Tuition and Fees & Room and Board

	2020-21	2021-22	2022-23	2023-24	2024-25
Tuition and Fees	\$32,880	\$33,538	\$34,900	\$36,990	\$39,400
Room and Board	<u>10,726</u>	<u>11,026</u>	<u>11,690</u>	<u>12,610</u>	<u>13,800</u>
Total	43,606	44,564	46,590	49,600	53,200
Percent Increase	3.01%	2.20%	4.55%	6.46%	7.26%

Graduate Tuition and Fees & Room and Board

	2020-21	2021-22	2022-23	2023-24	2024-25
Tuition	\$12,115	\$10,766	\$10,926	\$11,466	\$12,195
Room and Board	<u>16,838</u>	<u>17,220</u>	<u>19,800</u>	<u>21,000</u>	<u>21,645</u>
Total	28,953	27,986	30,726	32,466	33,840
Percent Increase	2.98%	-3.34%	9.80%	5.66%	4.23%

Occupancy Report From 2020-21 to 2024-25

Hall	Total Available Spaces	2020-21	2021-22	2022-23	2023-24	2024-25
Baxter Hall	260	85.42%	96.23%	98.47%	84.67%	93.50%
Johnson Hall	123	86.29	95.97	100.00	95.12	100.00
Oceanview Hall	208	82.69	98.05	99.52	97.12	97.10
Rinker Hall	134	83.72	93.55	98.08	97.01	97.80
Pembroke Hall	20	-	-	100.00	100.00	85.00
Weyenberg Hall	52	66.66	94.12	100.00	88.46	96.20
Watson Hall Apartments	502	97.41	99.40	100.00	98.60	98.00
Coastal Towers	133	-	100.00	98.08	97.72	97.00
Southern Bridge Apartments	37	-	-	-	-	70.30
Tortoise One Apartments	70	-	-	-	-	100.00
Arkona Apartments	12	-	-	-	91.67	75.0
Malverne Apartments	<u>12</u>	-	-	-	<u>100.00</u>	<u>100.00</u>
Total Occupancy	1,570	88.97%	97.56%	99.36%	95.02%	96.1%

Financial Assistance

Financial aid at the University is a strategic resource used to further the goals of the University, including enrollment growth, increased student diversity, a stronger academic profile, increased net revenue per student, and a stronger market position.

The following table shows the University's student financial aid assistance programs for all students, awarded by the Financial Aid Office, for the last five fiscal years.

	Fiscal Year Audited				
College Funded Scholarships & Grants	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Federal	\$34,451,981	\$38,860,425	\$38,185,897	\$31,306,139	\$31,048,415
State	6,691,724	6,895,517	6,184,788	5,434,403	6,534,034
Institutional Unfunded	33,510,478	34,439,977	35,971,555	40,404,475	41,167,995
Private: Loans Endowed Outside Scholarship	7,557,250	3,171,644	7,126,870	7,652,512	10,757,078
FWS Federal Share Wages	341,736	339,764	333,121	437,821	467,082
FL Work Experience	<u>2,417</u>	<u>2,502</u>	<u>2,502</u>	<u>2,885</u>	<u>3,281</u>
Total	\$82,555,586	\$83,709,829	\$87,804,733	\$85,238,235	\$89,977,885

Competition for Students

The University is a comprehensive, competitive, private university. Many of the University's qualified applicants also apply to other private and public colleges and universities. The following table shows the Fall 2024 tuition and room and board charges minus average grants and scholarships for federal financial aid recipients for the residential campuses with which the University typically competes for residential students.

Institution	Room/Board 2024-2025*
Lynn University	\$61,430
University of Tampa	49,020
Liberty University	38,768
Southeastern University	44,080
Palm Beach Atlantic University	54,450
Nova Southeastern University	56,140
Stetson University	75,138
Eckerd College	64,642
Samford University	54,893
Rollins College	77,400

* Cost includes tuition, room and board, books and supplies, and fees.

Sources: <https://seu.edu/admission/financial/tuition-fees/>; <https://www.ut.edu/admissions/tuition-and-costs>; <https://undergrad.nova.edu/funding/tuition-fees.html>; <https://www.flsouthern.edu/admissions/undergraduate/undergraduate-tuition-and-costs>; <https://www.lynn.edu/admission/tuition-aid/undergraduate/tuition-rates>; <https://www.eckerd.edu/admissions/financial-aid>; <https://www.liberty.edu/student-financial-services/basic-costs/>; https://www.samford.edu/departments/files/Financial_Services/Estimated-Cost-of-Attendance-Ugrad-Fall-and-Spring-2425.pdf; <https://www.stetson.edu/administration/financial-aid/tuition-and-costs.php#undergraduate>; <https://www.rollins.edu/scholarships-aid/tuition/>.

Meal Plans

All residential students at the University are required to have a meal plan. The table below shows the last three years of meal plans obtained by students each semester.

	Meal Plans		
	2022-2023	2023-2024	2024-2025
Fall	2203	2214	2354
Spring	<u>1958</u>	<u>1971</u>	<u>2194</u>
Total	4161	4185	4585
Percent Increase		0.6%	9.6%

Parking

The University currently manages parking demand through a permitting system. For the 2024-2025 academic year, total available parking facilities (which includes parking on Campus, adjacent on-street parking, and supplemental off-site parking facilities in the town of Palm Beach totals approximately 1,800 spaces. Currently, the University also pays approximately \$350,000 annually for off-campus leased parking spaces in an effort to help satisfy parking needs.

Athletics

The University offers 18 men's and women's intercollegiate sports and is a member of the National Collegiate Athletic Association (NCAA) Division II, Sunshine State Conference. The University's 76-acre Rinker Campus, home to the University's outdoor athletics, is located 1.8 miles from the Main Campus. The intercollegiate sports offered to University students include:

Men's Sports	Women's Sports
Baseball	Basketball
Basketball	Beach Volleyball
Cross Country	Cross Country
Golf	Golf
Lacrosse	Lacrosse
Soccer	Soccer
Tennis	Softball
Track	Tennis
	Track
	Volleyball

Student Clubs and Organizations

The University offers a variety of student organizations such as intramural sports programs, over 100 student music, theatre and dance performances annually, and opportunities for involvement and leadership in social, professional and religious clubs and organizations.

UNIVERSITY FINANCES

Financial Reporting

The University maintains its financial records on the basis of a fiscal year ending June 30, and follows the accrual basis of accounting. Copies of the financial statements of the University for the fiscal years ended June 30, 2024, and 2023, audited by Templeton & Company, LLP, independent auditors, are attached as Appendix B to this Limited Offering Memorandum. Templeton & Company, LLP has provided its written consent to inclusion of such financial statements in this Limited Offering Memorandum, but the University has not requested Templeton & Company, LLP to perform any updating procedures subsequent to the date of its audit report on the June 30, 2024, financial statements.

Statements of Financial Position and Activities

The information presented in the following tables was derived by University management from the audited statements of financial position and statements of activities (without donor restrictions), and is a summarized presentation.

Statement of Financial Position (in 000s)

	Audited				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Assets					
Cash and Cash Equivalents	\$ 19,832	\$ 20,428	\$ 28,879	\$ 22,749*	\$ 18,180
Assets held in escrow for debt service and construction				5,610	44,930
Portfolio Investments	55,898	71,405	83,068	88,703	124,608
Tuition and Other Receivables, Net	2,250	4,087	15,134	9,786	2,770
Unconditional Promises To Give, Net	2,511	1,564	6,741	7,382	5,269
Contribution Receivable From Foundation	24,000	24,000	24,000	24,000	24,000
Contribution Receivable From Charitable Trusts	151	189	146	114	109
Mortgage Note Receivable	-	-	-	33,400	-
Prepaid Expenses and Other Assets	3,319	3,243	3,683	5,596	5,351
Non-Marketable Investments	2,784	2,713	2,731	2,907	2,712
Operating Right-of-Use Assets	0	10,446	10,300	9,566	15,971
Property, Plant, and Equipment, Net	<u>110,078</u>	<u>105,837</u>	<u>101,729</u>	<u>101,943</u>	<u>114,391</u>
Total Assets	<u>\$220,823</u>	<u>\$243,912</u>	<u>\$276,412</u>	<u>\$311,756</u>	<u>\$358,293</u>
Liabilities and Net Assets					
Liabilities:					
Accounts Payable	1,120	1,118	1,075	2,998	1,546
Construction Costs Payable	1,252	0	0	0	0
Accrued Expenses	4,292	3,206	4,861	4,996	5,523
Deferred Tuition Revenue	1,537	2,926	2,669	2,626	2,627
Deferred Grant Revenue	0	0	0	4,968	5,390
Deposits and Other Liabilities	4,565	6,192	5,990	5,794	2,348
Advances From Federal Government for Student Loans	384	85	74	0	0
Annuities Payable	196	189	134	122	105
Cash Flow Hedge Value	1,684	1,102	0	0	0
Operating lease obligations	0	10,446	10,300	9,566	15,971
Long-Term Debt, Net	<u>34,415</u>	<u>32,101</u>	<u>40,959</u>	<u>43,025</u>	<u>90,025</u>
Total Liabilities	<u>\$ 49,445</u>	<u>\$ 57,365</u>	<u>\$ 66,062</u>	<u>\$ 74,096</u>	<u>\$ 123,538</u>
Net Assets					
Without Donor Restrictions	93,090	93,450	92,244	112,409	112,441
With Donor Restrictions	<u>78,288</u>	<u>93,097</u>	<u>118,105</u>	<u>125,251</u>	<u>122,313</u>
Total Net Assets	<u>171,378</u>	<u>186,547</u>	<u>210,349</u>	<u>237,660</u>	<u>234,755</u>
Total Liabilities and Net Assets	<u>\$220,823</u>	<u>\$243,912</u>	<u>\$276,411</u>	<u>\$311,756</u>	<u>\$358,293</u>

Statement of Activities (Without Donor Restrictions)
(in 000s)

	Audited				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operating:					
Revenues and Other Support:					
Tuition and Fees	\$87,661	\$88,923	\$87,869	\$ 96,790	\$ 102,016
Less Scholarship Allowances:					
Sponsored Scholarships	(3,273)	(2,931)	(2,904)	(3,272)	(4,182)
Un-sponsored Scholarships	(28,964)	(30,239)	(30,667)	(35,220)	(37,241)
Athletic Scholarships	(2,908)	(2,836)	(3,126)	(3,805)	(3,926)
Tuition and Fees, Net	52,516	52,917	51,172	54,493	56,665
Auxiliary Enterprises	11,240	9,762	12,378	14,858	20,344
Miscellaneous Revenue	752	797	9,526	2,811	1,318
Private Gifts and Grants	2,557	3,500	1,940	1,299	2,550
Government Grants – Cares Act	2,083	4,243	6,887	0	0
Net Investment Return	106	(1)	3	1,226	4,700
Net Assets Released From Restrictions	<u>8,599</u>	<u>5,826</u>	<u>4,462</u>	<u>6,959</u>	<u>18,907</u>
Total Revenues and Other Support	<u>\$77,853</u>	<u>\$77,044</u>	<u>\$86,368</u>	<u>\$ 81,648</u>	<u>\$ 103,339</u>
Expenses:					
Program Services					
Instruction	34,712	31,486	32,615	36,136	39,853
Academic Support	5,056	5,178	7,678	4,097	4,344
Student Services	12,292	11,963	15,239	17,008	18,824
Total Program Services	52,060	48,627	55,532	57,241	62,751
Supporting Services					
General Administrative and Institutional Support	13,024	16,812	18,131	21,859	23,182
Auxiliary Enterprises	<u>14,186</u>	<u>12,034</u>	<u>13,010</u>	<u>15,765</u>	<u>17,919</u>
Total Expenses	<u>\$79,270</u>	<u>\$77,473</u>	<u>\$86,673</u>	<u>\$ 94,864</u>	<u>\$ 103,853</u>
Change in Net Assets From Operating Activities	(1,417)	(429)	(305)	(13,216)	(515)
Non-Operating					
Private Gifts and Grants	0	214	549	700	546
Non-Operating Expenses	(837)	0	0	0	0
Net Investment Return	0	0	0	0	0
Change in Value Split Interest Trusts	0	0	0	0	0
Gain on Sale of Property, Plant, and Equipment	1,915	(7)	(1,620)	32,682	0
Realized and Unrealized Cash Flow Hedge Gain (Loss)	(136)	582	170	0	0
Change in Net Assets From Non-Operating Activities	942	789	(901)	33,382	546
Change in Net Assets	(475)	360	(1,206)	20,165	32
Net Assets – Beginning of Year	<u>93,565</u>	<u>93,090</u>	<u>93,450</u>	<u>92,244</u>	<u>112,409</u>
Net Assets – End of Year	<u>\$93,090</u>	<u>\$93,450</u>	<u>\$92,244</u>	<u>\$112,409</u>	<u>\$112,441</u>

Discussion of Recent Financial Results of Operations

As discussed throughout this Appendix A, the University generates revenues from degree-seeking students and from students enrolled in professional education and/or certificate programs, from fundraising efforts, and from investment earnings. From an operational perspective, the largest portion of revenues comes from degree-seeking students' tuition and fees.

For the fiscal year ended June 30, 2024, the University recorded a change in net assets of approximately \$32,000, and a change in net assets from operations of \$(515 thousand). A record incoming undergraduate class contributed to an approximately \$5.2 million increase in tuition and fees revenue in fiscal year 2024. During fiscal year 2024 the University made use of previously recognized revenues and

proceeds of the Palm Beach County Educational Facilities Authority Revenue Bonds (Palm Beach Atlantic University, Inc.), Series 2024 (the “Series 2024 Bonds”) to finance the construction and furnishing of a new classroom/office building consisting of six stories and approximately 125,000 square feet on the University’s main campus to be used primarily for the existing Rinker School of Business, as well as any other capital improvements to the University’s educational facilities.

In each of Fall 2023 and 2024, the University enrolled its largest incoming classes of traditional undergraduate students. The University attributes the significant enrollment increases in these two years to its participation in the Common App platform, and targeted outreach to high school juniors and sophomores. During the 2022-2023 fiscal year, the University engaged a new consultant, CollegeRaptor, to advise on pricing and student financial aid packaging in order to facilitate student enrollment through discounting while maximizing the net tuition revenue to the University. Discounting calculations include both the students’ academic performance (willingness to pay) as well as the families’ economic status (ability to pay). Macroeconomic conditions are considered each year as the University and CollegeRaptor plan pricing and financial aid strategies.

Alongside the leadership and structural changes, the University intends to increase enrollment through new graduate and online programs, and by working with consultants to provide academic program offerings that meet student demand and fit the mission of the University. A B.S. in Engineering was launched in Fall 2023. The University has developed a M.M.S. Physician Associate Medicine degree program, which anticipates its first cohort in Fall of 2025.

The United States Department of Education (the “Department”) requires for-profit and non-profit institutions to annually submit audited financial statements to the Department to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of many standards the Department utilizes to measure the financial responsibility of an institution is a composite of three ratios derived from an institution’s audited financial statements. The Department uses the composite score to gauge the fundamental elements of the financial health of an institution, not the educational quality of an institution. The composite score reflects the overall relative financial health of institutions along a scale from negative 1.0 to positive 3.0. A score greater than or equal to 1.5 indicates the institution is considered financially responsible. The University’s most recent Department of Education Financial Responsibility Composite Score for fiscal year 2024 is 3.0, which falls in the Pass Range. The scale for the Composite Score is: Fail: -1.0 – 0.9; Zone: 1.0 – 1.4; and Pass: 1.5 – 3.0.

Net Tuition Revenue

Since 2022, the University has contracted with CollegeRaptor to provide financial aid and tuition rate modeling for its traditional undergraduate program. To maximize net tuition revenue to the University, CollegeRaptor uses advanced econometric modeling to advise on appropriate tuition and discount rates. While average net traditional tuition revenue per student decreased 1.6% since 2018-19, total net tuition revenue increased 3.8% during the same time period. Net tuition revenue in fiscal year 2024 increased 4.0% over fiscal year 2023.

Plant Assets

The following tabulation, extracted by University management from the audited balance sheets of the University, presents carrying values of the University’s land, buildings, and equipment at June 30 of the fiscal years 2020 through 2024.

**Audited
(in 000s)**

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Land	\$ 23,177	\$ 23,177	\$ 23,177	\$ 20,839	\$ 30,076
Land improvements	14,164	14,164	14,164	13,727	13,727
Leasehold improvements	161	178	178	178	178
Building improvements	147,309	148,578	150,121	149,490	157,766
Equipment and furnishings	<u>19,556</u>	<u>20,575</u>	<u>21,241</u>	<u>22,376</u>	<u>23,791</u>
Total property and equipment	<u>\$204,367</u>	<u>\$206,672</u>	<u>\$208,881</u>	<u>\$206,611</u>	<u>\$225,539</u>
Less Accumulated Depreciation	(94,289)	(101,046)	(107,169)	(109,350)	(115,652)
Construction in progress	<u>0</u>	<u>211</u>	<u>17</u>	<u>4,682</u>	<u>4,504</u>
Property and equipment, net	<u>\$110,078</u>	<u>\$105,837</u>	<u>\$101,729</u>	<u>\$101,943</u>	<u>\$114,391</u>

Insurance

The University maintains comprehensive insurance coverage on its assets. Buildings, other real property, and equipment are insured on a replacement value basis with a \$10,000 all other perils deductible on buildings and equipment and 5% per occurrence per unit of insurance of named windstorm with a minimum of \$1M per occurrence. For the current policy year, campus properties are insured for a blanket limit of \$450 million all perils per occurrence limit (\$100 million earthquake aggregate and \$100 million flood aggregate).

Business interruption insurance is carried to protect the University against loss of income up to \$450 million resulting from damage to real property and equipment per occurrence. Losses from crime or theft are insured up to \$8 million per occurrence (\$1,750,000 limit for social engineering).

Third party Personal Injury and Property Damage liability coverage are provided under Commercial General Liability coverage with a \$100 million per occurrence and annual aggregate limit.

Directors and Officers Liability coverage has a per-claim and annual aggregate limit of \$80 million (Sexual Abuse has a sublimit of \$55 million). Trustees of the Organization or Sponsored Plan are also covered under a separate Fiduciary Liability program that has a \$50 million limit.

Cyber Liability insurance coverage has a \$5,000,000 per claim and \$10,000,000 aggregate limit.

Long-Term Investments & Endowment

The University's endowment is established for the purposes expressed in the University's charter and consists of donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. The endowment consists of 219 individual endowments established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified allocation to achieve its long-term return objectives within prudent risk constraints.

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to scholarship and other activities supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the University must hold in perpetuity as well as Board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of multiple benchmarks based on the type of investment while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide an average rate of return that will meet its spending rate plus the inflation rate. Actual returns in any given year may vary from this amount.

The University's spending policy is designed to provide for positive growth in the market value of its endowment, net of distributions, over an extended period of time. Over the long-term, the spending policy is designed to return a net positive gain in the market value (growth) after spendable transfers. The budgeted spending rate for fiscal year 2025 is based upon 4.5% of three-year average fund balance through June 30, 2023, provided that such spending will not cause the balance in that fund to drop below the corpus of that fund.

The endowment fund asset balances for the last five fiscal years are included in the following table.

Endowment Fund Assets

	Audited (in 000s)				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Endowment assets, beginning of year	\$85,936	\$85,378	\$97,750	\$ 97,755	\$ 101,717
Net investment return	290	12,968	(4,151)	5,915	7,864
Contributions	2,368	2,732	5,830	564	973
Change in Value split-interest trusts	1,030	1,301	1,142	1,245	1,155
Appropriations for endowment expenditures	<u>(4,246)</u>	<u>(4,629)</u>	<u>(2,816)</u>	<u>(3,762)</u>	(1,938)
Total endowment gifts and designations	\$85,378	\$97,750	\$97,755	\$101,717	\$109,770

Current Outstanding Indebtedness

As of December 31, 2024, the University had \$83,180,000 in outstanding long-term debt, including notes and bonds payable. The following is a summary of outstanding indebtedness as of December 31, 2024.

Description	Interest Rate	Amount Outstanding (as of 12/31/2024)	Final Maturity
Series 2024 Bonds	4.00%	\$45,000,000	10/01/2053
Series 2021 Bonds	4.00%	33,780,000	10/01/2051
2018 Promissory Note	5.00%	1,500,000	06/13/2025
2022 Promissory Note	5.00%	2,900,000	09/01/2029

Fundraising

The University has increased its intentional outreach to prospective donors since fiscal year 2021 with a restructuring of and key hires within the Advancement department. Private gifts and grants have increased approximately 72% since fiscal year 2019, for an average approximate annual increase of 11.4%.

A \$75 million capital campaign, “God-Sized Dreams,” is currently underway, with \$72 million raised since November 2022. Progress continues to identify, cultivate, solicit and steward donors.

The University has created an annual fund goal of \$1,500,000 for fiscal year 2025, with additional funding being secured to support restricted giving. PBA is focusing on strategic donor identification, cultivation, solicitation, and stewardship strategies to yield greater financial sustainability among new and recurring donors. PBA is intentionally growing major and principal gift capacity to yield greater philanthropic results.

Total philanthropic support for the University over the past five fiscal years is summarized below:

Total Private Support by Source

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Trustees	\$3,271,089	\$3,105,179	\$ 454,920	\$ 1,208,314	\$ 1,886,502
Alumni	81,826	1,482,311	150,310	631,516	670,353
Parents	17,500	8,850	32,190	14,350	53,938
Other	3,053,359	5,696,513	22,838,088	2,606,693	1,724,984
Organizations	<u>3,973,129</u>	<u>5,622,262</u>	<u>28,387,161</u>	<u>9,747,016</u>	<u>7,751,405</u>
Total Gifts*	<u>\$9,056,993</u>	<u>\$9,203,540</u>	<u>\$29,423,159**</u>	<u>\$12,086,782</u>	<u>\$11,246,065</u>
Alumni Donors	<u>131</u>	<u>177</u>	<u>200</u>	<u>128</u>	<u>141</u>
Total Donors	<u>984</u>	<u>977</u>	<u>997</u>	<u>1,697</u>	<u>2,250</u>

* Certain private support by source gifts are duplicated for those donations that classify as multiple sources (for example, certain alumni gifts may also be counted as parent gifts if the donor classifies as both a parent and an alumni). The total gifts line therefore removes this duplication and represents the actual amount of gifts received.

** The University received a \$26 million lead gift for the capital campaign in fiscal year 2022. The gift is reflected in the table under Other and Organizations.

Operating Budget

The budget process for each fiscal year begins in early fall, with the University’s enrollment consultants to determine appropriate tuition, housing rates, discount, and enrollment assumptions. The Board of Trustees approves tuition, fee and room and board rates for the following fiscal year based on the recommendation of the Board’s Finance Committee. A preliminary revenue budget is created from the enrollment and tuition, room, and board rates approved by the Board.

The University utilizes a bottom-up budget process. Baseline budgets for the upcoming year are provided in January of each year. Budget holders are encouraged to hold meetings with their staff to identify budget needs and initiatives in line with the University’s strategic priorities for the upcoming year. Budget requests are entered along with supplemental justification and prioritization data. The Budget Committee meets weekly beginning in February in order to review and approve budget requests and to arrive at a budget that is balanced, at a minimum, on a cash basis. The operating and capital budgets are presented to the Finance and Executive Committees for review and approval. With the approval of the Executive Committee, the operating and capital budgets are presented to the Board of Trustees at its April meeting for review and approval. If necessary, a special Board meeting may be called for additional Board review and budget updates in June of each year.

The following table provides a summary of the University's operating budget for its unrestricted operating funds for the fiscal year ending June 30, 2025.

	Budget FY 2025 (in 000s)
Revenue:	
Tuition & Fees	\$114,953
Less Scholarships:	
Sponsored Scholarships	(4,000)
Unsponsored Scholarships	(40,968)
Athletic Scholarships	(4,565)
Net Tuition	\$ 65,420
Private Gifts & Grants	1,515
Net Investment Return	2,950
Other:	
Auxiliary Enterprises	17,958
Misc. Revenue	998
Total Other	
Net Assets Released From Restriction	22,873
Total Revenue	\$ 111,714
Expenses:	
Educational & General:	
Instruction	35,359
Academic Support	986
Student Service	14,892
Institutional Support	28,752
Interest	3,798
Credit for Attrition	(2,000)
Plant Operation & Maintenance	7,969
Total Educational & General	\$ 89,756
Other:	
Auxiliary Enterprises	10,087
Depreciation & Amortization	6,380
Total Other	16,467
Total Expenses	\$ 106,223
Change in Unrestricted Net Assets	5,491

Financial Projections

The following tables show the University's projections of its Statement of Activities for fiscal years 2025 through 2028.

Statement of Activities FY25 – FY28 Projection

	Projections (in 000s)			
	FY 2025	FY 2026	FY 2027	FY 2028
Revenues and Other Support:				
Tuition and Fees	\$115,523	\$127,683	\$137,789	\$150,210
Less Scholarship Allowances:				
Sponsored Scholarships	(4,100)	(4,203)	(4,300)	(4,400)
Unsponsored Scholarships	(39,895)	(43,000)	(48,378)	(52,085)
Athletic Scholarships	(4,467)	(4,913)	(5,523)	(6,075)
Tuition and Fees, Net	67,061	75,568	79,588	87,650
Private Gifts and Grants	1,500	1,500	1,500	1,500
Net Investment Return	2,213	900	2,500	2,500
Auxiliary Enterprises	17,530	18,635	22,789	20,808
Miscellaneous Revenue	3,966	1,010	1,196	1,232
Ground Rent	500	500	500	12,108
Net assets Released From Restrictions	<u>36,100</u>	<u>6,203</u>	<u>7,300</u>	<u>7,400</u>
Total Revenues and Other Support	\$128,870	\$104,315	\$115,373	\$133,198
Expenses:				
Instruction	35,787	36,324	38,826	40,379
Academic Support	1,025	1,040	1,136	11,70
Student Services	15,079	15,305	16,053	16,534
Institutional Support	25,872	26,260	29,698	30,324
Interest	4,016	3,809	4,029	3,958
Plant Operation & Maintenance	7,727	8,859	9,469	9,753
Auxiliary Enterprises	8,755	9,018	14,717	11,709
Lease Expense	0	0	0	3,000
Depreciation & Amortization	<u>6,076</u>	<u>7,292</u>	<u>8,840</u>	<u>8,973</u>
Total Expenses	\$104,337	\$107,907	\$122,769	\$125,801
Change in Net Assets	\$ 24,533	\$ (3,592)	\$ (7,396)	\$ 7,396

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**Key Assumptions for Financial Projections
FY 2025 – FY 2028**

Fall Enrollments	Financial Projection Assumptions			
	FY 2025	FY 2026	FY 2027	FY 2028
Traditional undergraduate	2,424	2,528	2,642	2,751
Pharmacy	168	203	220	260
M.S. Physician Associate Medicine	42	56	112	168
Online	183	171	194	241
Graduate	520	622	615	633
Orlando Campus	88	64	0	0
Non-Traditional Undergraduate	<u>525</u>	<u>700</u>	<u>700</u>	<u>700</u>
Total Projected Enrollments – Headcount	<u>3,950</u>	<u>4,344</u>	<u>4,483</u>	<u>4,753</u>

The University has relied on the following assumptions for the financial projections above:

Tuition Rate Increase. Projected to increase 3.5% annually, on average.

Traditional Undergraduate Enrollment. Assumes 70% retention and 50 additional new students each year.

Pharmacy Enrollment. Assumes five additional new students each year.

Physicians’ Associate Enrollment. Assumes incoming class of 56 students in Fall 2025 with new annual cohorts of 56 each year.

Tuition Discount. Assumed to be 50% annually.

Expenses Increase. Increases range from 3.0% to 5.0% annually.

Debt Service. Includes principal and interest on the Series 2021 Bonds, Series 2024 Bonds, Series 2025 Bonds, \$1.5 million promissory note, and \$2.9 million promissory note.

Property Sale. Certain proceeds from 2022 property sale used for equity contribution to the Series 2025 Project.

Auxiliary Enterprise Price Increase. Auxiliary revenue, including room and board plans, are projected to increase 6.0% annually.

First-Time Freshman Tuition Discount. The tuition discount for first-time freshmen in fiscal year 2026 is 54.3%.

Retention Rate. The retention rate is projected conservatively at 70% (fall to fall) compared to historical averages. The University has taken steps to increase retention beyond historic performance, including increasing the selectivity of student acceptances, engaging a consultant (EAB) to assist with retention efforts, and increasing programs such as Navigate360, which identify at-risk students for intervention. See “—Enrollment and Retention Strategy” above.

Salary and Wage Adjustments. On average, salaries and wages are projected to increase 3.0% annually, including both annual cost-of-living adjustment (COLA) and merit increases to existing employees, and the net impact of employee turnover and replacement.

Discretionary Spending. Discretionary spending is projected to average a 1.5% annual increase, net of ongoing cost reduction and streamlining strategies.

Contract Services. Contract services cost increases average 3.0% annually.

Overall Operating Expense Change. The overall increase in operating expenses ranges from 3.0% to 3.5% per year.

HEERF II and III Grant Revenue. No additional revenues related to HEERF funding are projected. See “Higher Education Emergency Relief Funds (HEERF)” above.

Depreciation & Amortization. Depreciation projections include projected capital spending and renovations, as well as the Rinker Business Hall placed in service in fiscal year 2026.

Expected Return on Endowment. The University maintains several benchmarks to measure and evaluate endowment performance. In order to sustain the spending ability of the endowment over time, the expected rate of return on the endowment, over the course of a business cycle, is consumer price index (CPI) plus the spending rate (4.5%).

Endowment Draw. The University utilizes endowment appropriations for student financial assistance, faculty development, and facilities. The spending rate is 4.5% of the three-year average ending balance in each fund.

Financial Covenants

The University has covenanted in a Master Indenture, dated as of October 13, 2021 (as may amended and supplemented, the “Master Indenture”), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee there under, to charge and maintain tuition, fees and other charges sufficient to provide an Historical Debt Service Coverage Ratio (the ratio of Net Revenues Available for Debt Service to Annual Debt Service for such fiscal year) of at least equal to 1.10:1.00 (the “Coverage Ratio”) in each fiscal year; and certain restrictions as to the incurrence of additional indebtedness.

Debt Service Coverage Ratio. The table under “Financial Covenant Forecast” herein sets forth the extent to which the University’s net income available for debt service in each of the fiscal years shown would cover the University’s estimated annual debt service requirements on the Series 2021 Bonds, the Series 2024 Bonds, and additional long-term debt obligations. Net revenues available for debt service (audited) should be evaluated with respect to the audited financial statements and related notes set forth in Appendix B to this Limited Offering Memorandum.

Pro Forma Annual Debt Service and debt service requirements are shown only for future years in the table below and are based on certain assumptions and exclusions contained in the Master Indenture. The provisions and assumptions for calculations of the debt service coverage ratio under the Master Indenture may differ from those in transaction documents for other indebtedness and as shown for historical calculations.

Financial Covenant Forecast

The following table sets forth the University's Historical Debt Service Coverage Ratio and Debt Service Coverage Ratio (Pro Forma) for the years indicated. These ratios and internally prepared projections should be read in conjunction with the audited financial statements and notes set forth in Appendix B to the Limited Offering Memorandum.

	Audit (in 000s)			Projected (in 000s)			
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Unrestricted Operating Revenue	\$86,368	\$81,648	\$103,338	\$111,782	\$114,368	\$115,373	\$133,198
Total Unrestricted Operating Expenses	86,673	94,864	103,853	108,334	114,627	122,769	125,801
Change in Net Assets	(305)	(13,216)	(514)	3,448	(259)	(7,396)	7,396
Plus: Interest Expense	1,200	1,400	2,086	3,798	4,069	4,029	3,958
Plus: Depreciation & Amortization	6,157	5,834	6,302	6,380	7,601	8,840	8,973
Plus: One-Time Land Sale	0	32,682 ¹	0	0	0	0	0
Net Income Available for Debt Service	7,052	26,700	7,875	13,626	11,411	45,473	20,327
Total Historical Debt Service	1,200	2,015	2,746				
Debt Service Coverage Ratio (DSCR)	5.88	13.25	2.87				
Pro Forma Actual Debt Service				\$4,483	\$4,814	\$4,593	\$5,733
DSCR w/ Pro Forma Debt Service				3.04	2.37	1.19	3.55
DSCR Requirement	1.10	1.10	1.10	1.10	1.10	1.10	1.10

¹ Sale of the Flagler Property. See "ENROLLMENT — Residential Life" herein.

² The new business building is expected to be placed in service in fiscal year 2025, causing a projected increase in net asset releases compared to other years.

Source: Audited financial statements and projections of the University.

Capital Expenditures and Future Indebtedness

The fiscal year 2025 capital budget anticipates approximately \$23.8 million in identified capital projects. The capital projects will be funded with cash, operating funds, and some proceeds of the Series 2024 Bond proceeds. Other than the Series 2024 Bonds, the University does not anticipate incurring any additional long-term indebtedness in the next year. Capital projects for fiscal year 2025 will include residence hall and academic building renovations, bookstore, and coffee shop addition, and business school construction, and ongoing facilities maintenance. Projected capital expenditures through fiscal year 2029 will be funded with cash and operating funds. At this time, the University does not anticipate incurring additional long-term indebtedness other than its obligations with respect to the Series 2024 Bonds to fund capital expenditures through 2029. From time to time, the University's capital plans are developed and evaluated by the Board and administration.

Employee Benefit and Retirement Plan

The University provides benefits programs for employees, their spouses and dependent children. The University attempts to provide plans that offer the best benefits at a reasonable cost to employees. Programs offered include, but are not limited to, health, dental, life, vision, retirement, and an Employee Assistance Program. All full-time employees are immediately eligible to participate in the University's 403(b) retirement plan. Beginning July 1, 2025, the University matches up to 7% of each employee's contributions.

APPENDIX B

FINANCIAL STATEMENTS

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PALM BEACH ATLANTIC UNIVERSITY, INC.
REPORT ON AUDITS OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

PALM BEACH ATLANTIC UNIVERSITY, INC.

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Independent Auditor's Report

Board of Trustees
Palm Beach Atlantic University, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of Palm Beach Atlantic University, Inc. (the University) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Palm Beach Atlantic University, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Palm Beach Atlantic University, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Palm Beach Atlantic University, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

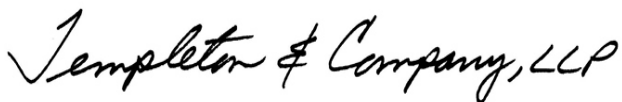
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Palm Beach Atlantic University, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Palm Beach Atlantic University, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November ____, 2024, on our consideration of Palm Beach Atlantic University, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Palm Beach Atlantic University, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Palm Beach Atlantic University, Inc.'s internal control over financial reporting and compliance.



West Palm Beach, Florida
November 26, 2024

PALM BEACH ATLANTIC UNIVERSITY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 18,179,797	\$ 22,749,527
Assets held in escrow for debt service and construction	44,930,243	5,610,167
Portfolio investments	124,608,160	88,703,076
Tuition receivables, net	1,561,037	1,165,333
Federal loan receivables	1,209,763	8,620,613
Unconditional promises to give, net	5,268,821	7,381,673
Contribution receivable from foundation	24,000,000	24,000,000
Contributions receivable from charitable trust	109,322	114,038
Mortgage note receivable	-	33,400,000
Prepaid expenses and other assets	5,350,712	5,595,568
Non-marketable investments	2,712,359	2,906,754
Operating right-of-use assets	15,971,380	9,566,212
Property, plant, and equipment, net	<u>114,391,444</u>	<u>101,943,170</u>
Total assets	<u>\$ 358,293,038</u>	<u>\$ 311,756,131</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 1,546,364	\$ 2,998,211
Accrued expenses	5,523,048	4,996,480
Deferred tuition revenue	2,627,477	2,625,604
Deferred grant revenue	5,390,962	4,967,868
Deposits and other liabilities	2,348,291	5,794,151
Annuities payable	105,078	122,059
Operating lease obligations	15,971,380	9,566,212
Long-term debt, net	<u>90,025,607</u>	<u>43,025,184</u>
Total liabilities	<u>123,538,207</u>	<u>74,095,769</u>
Net assets:		
Without donor restrictions	112,441,023	112,409,044
With donor restrictions	<u>122,313,808</u>	<u>125,251,318</u>
Total net assets	<u>234,754,831</u>	<u>237,660,362</u>
Total liabilities and net assets	<u>\$ 358,293,038</u>	<u>\$ 311,756,131</u>

See accompanying notes to financial statements.

PALM BEACH ATLANTIC UNIVERSITY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2024 and 2023

	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating:						
Revenues and other support:						
Tuition and fees	\$ 102,016,479	\$ -	\$ 102,016,479	\$ 96,789,931	\$ -	\$ 96,789,931
Less scholarship allowances:						
Sponsored scholarships	(4,182,710)	-	(4,182,710)	(3,272,331)	-	(3,272,331)
Un-sponsored scholarships	(37,241,314)	-	(37,241,314)	(35,219,585)	-	(35,219,585)
Athletic scholarships	<u>(3,926,681)</u>	<u>-</u>	<u>(3,926,681)</u>	<u>(3,804,554)</u>	<u>-</u>	<u>(3,804,554)</u>
Tuition and fees, net	56,665,774	-	56,665,774	54,493,461	-	54,493,461
Auxiliary enterprises	20,344,859	-	20,344,859	14,857,974	-	14,857,974
Other revenue	1,318,307	-	1,318,307	2,811,407	-	2,811,407
Private gifts and grants	1,402,600	1,147,205	2,549,805	1,299,311	573,996	1,873,307
Government grants	-	2,280,459	2,280,459	-	401,009	401,009
Net investment return	4,700,180	-	4,700,180	1,226,391	-	1,226,391
Net assets released from restrictions	<u>18,907,138</u>	<u>(18,907,138)</u>	<u>-</u>	<u>6,959,462</u>	<u>(6,959,462)</u>	<u>-</u>
Total revenues and other support	<u>103,338,858</u>	<u>(15,479,474)</u>	<u>87,859,384</u>	<u>81,648,006</u>	<u>(5,984,457)</u>	<u>75,663,549</u>
Expenses:						
Program services:						
Instruction	39,583,144	-	39,583,144	36,135,876	-	36,135,876
Academic support	4,343,881	-	4,343,881	4,096,992	-	4,096,992
Student services	<u>18,824,277</u>	<u>-</u>	<u>18,824,277</u>	<u>17,007,744</u>	<u>-</u>	<u>17,007,744</u>
Total program services	62,751,302	-	62,751,302	57,240,612	-	57,240,612
Supporting services:						
General administrative and institutional support	23,182,912	-	23,182,912	21,859,337	-	21,859,337
Auxiliary enterprises	<u>17,919,509</u>	<u>-</u>	<u>17,919,509</u>	<u>15,764,522</u>	<u>-</u>	<u>15,764,522</u>
Total expenses	<u>103,853,723</u>	<u>-</u>	<u>103,853,723</u>	<u>94,864,471</u>	<u>-</u>	<u>94,864,471</u>
Change in net assets from operating activities	<u>(514,865)</u>	<u>(15,479,474)</u>	<u>(15,994,339)</u>	<u>(13,216,465)</u>	<u>(5,984,457)</u>	<u>(19,200,922)</u>
Non-operating:						
Private gifts and grants	546,844	4,545,659	5,092,503	700,088	5,969,645	6,669,733
Net investment return	-	6,726,442	6,726,442	-	5,915,213	5,915,213
Change in value of split-interest trusts	-	1,269,863	1,269,863	-	1,245,277	1,245,277
Gain on sale of property	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,681,520</u>	<u>-</u>	<u>32,681,520</u>
Change in net assets from non-operating activities	<u>546,844</u>	<u>12,541,964</u>	<u>13,088,808</u>	<u>33,381,608</u>	<u>13,130,135</u>	<u>46,511,743</u>
Change in net assets	31,979	(2,937,510)	(2,905,531)	20,165,143	7,145,678	27,310,821
Net assets - beginning of year	<u>112,409,044</u>	<u>125,251,318</u>	<u>237,660,362</u>	<u>92,243,901</u>	<u>118,105,640</u>	<u>210,349,541</u>
Net assets - end of year	<u>\$ 112,441,023</u>	<u>\$ 122,313,808</u>	<u>\$ 234,754,831</u>	<u>\$ 112,409,044</u>	<u>\$ 125,251,318</u>	<u>\$ 237,660,362</u>

See accompanying notes to financial statements.

PALM BEACH ATLANTIC UNIVERSITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

For the Year Ended June 30, 2024							
	Program Services				Supporting Services		Total Expenses
	Instruction	Academic Support	Student Services	Subtotal	General Administrative and Institutional Support	Auxiliary Enterprises	
Salaries, wages and benefits	\$ 28,757,594	\$ 482,748	\$ 8,582,425	\$ 37,822,767	\$ 13,971,021	\$ 716,442	\$ 52,510,230
Services, supplies, and other	4,349,854	385,796	5,645,721	10,381,371	5,229,834	6,754,367	22,365,572
Facilities, utilities, and maintenance	3,125,889	1,335,888	1,792,564	6,254,341	1,466,825	5,338,555	13,059,721
Information technology	286,122	124,766	163,166	574,054	1,610,152	8,506	2,192,712
Advertising and promotion	523,313	-	210,498	733,811	362,956	-	1,096,767
Insurance	852,779	676,310	815,695	2,344,784	181,986	1,712,572	4,239,342
Depreciation	1,267,873	1,005,507	1,212,739	3,486,119	270,568	2,546,174	6,302,861
Interest	419,720	332,866	401,469	1,154,055	89,570	842,893	2,086,518
Total expenses	<u>\$ 39,583,144</u>	<u>\$ 4,343,881</u>	<u>\$ 18,824,277</u>	<u>\$ 62,751,302</u>	<u>\$ 23,182,912</u>	<u>\$ 17,919,509</u>	<u>\$ 103,853,723</u>
For the Year Ended June 30, 2023							
	Program Services				Supporting Services		Total Expenses
	Instruction	Academic Support	Student Services	Subtotal	General Administrative and Institutional Support	Auxiliary Enterprises	
Salaries, wages and benefits	\$ 25,980,297	\$ 467,168	\$ 6,979,436	\$ 33,426,901	\$ 11,826,896	\$ 595,573	\$ 45,849,370
Services, supplies, and other	4,244,527	413,819	5,661,523	10,319,869	5,727,621	6,417,666	22,465,156
Facilities, utilities, and maintenance	2,857,065	1,219,403	1,703,013	5,779,481	1,231,713	5,036,370	12,047,564
Information technology	209,476	112,251	328,029	649,756	2,158,694	8,066	2,816,516
Advertising and promotion	468,478	-	63,033	531,511	407,360	-	938,871
Insurance	776,780	616,038	743,002	2,135,820	165,767	1,211,855	3,513,442
Depreciation	1,289,784	1,022,884	1,233,697	3,546,365	275,244	2,012,190	5,833,799
Interest	309,469	245,429	296,011	850,909	66,042	482,802	1,399,753
Total expenses	<u>\$ 36,135,876</u>	<u>\$ 4,096,992</u>	<u>\$ 17,007,744</u>	<u>\$ 57,240,612</u>	<u>\$ 21,859,337</u>	<u>\$ 15,764,522</u>	<u>\$ 94,864,471</u>

See accompanying notes to financial statements.

PALM BEACH ATLANTIC UNIVERSITY, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (2,905,531)	\$ 27,310,821
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	6,302,861	5,833,799
Net realized and unrealized gain on portfolio investments	(6,986,545)	(4,962,970)
Unrealized loss (gain) on non-marketable investments	194,395	(175,368)
Amortization of loan costs	19,067	12,799
Amortization of bond premium	(263,644)	(232,109)
Contributions received restricted for long-term investment	(2,313,376)	(1,760,623)
Gain on sale of property, plant, and equipment	-	(32,681,520)
Provision for credit losses	(259,574)	363,626
Changes in operating assets and liabilities:		
Tuition and other receivables	(136,130)	241,327
Federal loan receivable	7,410,850	4,743,557
Unconditional promises to give, net	2,112,852	(641,063)
Contributions receivable from charitable trusts	4,716	31,684
Prepaid expenses and other assets	244,856	(1,912,623)
Accounts payable	(1,451,847)	1,923,457
Accrued expenses	526,568	135,706
Deferred tuition, deferral grant revenue, deposits and other liabilities	(3,020,893)	4,654,310
Annuities payable	(16,981)	(11,953)
Net cash (used in) provided by operating activities	<u>(538,356)</u>	<u>2,872,857</u>
Cash flows from investing activities:		
Withdrawals from assets held in escrow	9,612,101	-
Purchases of property, plant, and equipment and construction costs paid	(18,751,135)	(10,468,428)
Collections on mortgage note receivable	33,400,000	-
Proceeds from sale of property, plant, and equipment	-	3,702,091
Purchases of portfolio investments, net of sales	<u>(29,582,773)</u>	<u>(672,283)</u>
Net cash used in investing activities	<u>(5,321,807)</u>	<u>(7,438,620)</u>
Cash flows from financing activities:		
Payments on long-term debt	(660,000)	(615,000)
Proceeds from issuance of long-term debt	-	2,900,000
Payment of bond issuance costs	(362,943)	-
Contributions received restricted for long-term investment	<u>2,313,376</u>	<u>1,760,623</u>
Net cash provided by financing activities	<u>1,290,433</u>	<u>4,045,623</u>
Decrease in cash and cash equivalents	(4,569,730)	(520,140)
Cash and cash equivalents - beginning of year	<u>22,749,527</u>	<u>23,269,667</u>
Cash and cash equivalents - end of year	<u>\$ 18,179,797</u>	<u>\$ 22,749,527</u>

See accompanying notes to financial statements.

PALM BEACH ATLANTIC UNIVERSITY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

General

Founded in 1968, Palm Beach Atlantic University, Inc. (the University) is a not-for-profit, private, Christian, interdenominational, four-year University with its main campus in West Palm Beach, Florida comprised of a 22.7-acre downtown campus, a 77.6-acre athletic campus and a satellite campus in Orlando, Florida. The University provides higher education in over 50 academic disciplines to both full-time and part-time traditional and non-traditional undergraduate students. The University also offers multiple masters and continuing education programs as well as Doctor of Pharmacy and Doctor of Nursing Practice programs, and PhD of Practical Theology.

Basis of presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the University, the environment in which it operates, the purpose specified in the corporate documents and its application for tax-exempt status, and any limits resulting from contractual arrangements with creditors or others that are entered into in the course of operations.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restrictions will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the University must continue to use the resources in accordance with the donor's instructions.

The University's unspent contributions are included in this class if the donor limited their use, as are donor-imposed endowment funds.

When a donor's restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the assets are placed in service by the University, unless the donor provided more specific directions about the period of its use.

Measure of operations

The University's operating activities include revenues that are earned as a result of providing programs and supporting activities and expenses relating to providing these programs and supporting activities. Operating activities also include amounts released from donor restrictions. Non-operating activities include the receipt of private gifts, grants and bequests to the endowment, non-operating expenses, annuity and split-interest agreement activity, endowment and investment gains and losses related to donor restricted endowment investments, and gains and losses on property sales.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The University considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements, including valuation of receivables, including student accounts, pledges and other contribution agreements and certain investments. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ from those estimates.

Tuition and fees

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Institutional aid, in the form of scholarships and grants-in-aid, includes amounts funded by endowments and gifts, and reduces the amount of revenue recognized.

Revenue for tuition and fees for all of the summer terms is recognized as performance obligations are met. Because the summer academic terms span two reporting periods, a portion of the revenue for the summer terms are included in deferred revenue at June 30, 2024 and 2023. Deferred revenues for the summer terms are shown in Note 1 below.

The University offers qualified applicants assistance in the form of financial aid. Financial aid is provided to students in the form of sponsored and unsponsored scholarships, direct grants and loans from the state and federal government, as well as employment during the academic year. In addition, for the years ended June 30, 2024 and 2023, the University granted tuition reductions to faculty and staff as well as their spouses and children in the amount of \$1,486,869 and \$1,351,393, respectively, which are recorded in general administrative and institutional support expense in the accompanying statements of activities.

Auxiliary enterprises

Auxiliary enterprises exist to furnish goods or services to students, faculty, staff, or incidentally to the general public. Fees charged for auxiliary services are directly related to, although not necessarily equal to, the cost of the goods or services provided.

Auxiliary enterprise revenue includes activities for student housing and dining facilities, parking services, and other miscellaneous activities. Institutional aid specifically for defraying the cost of room and board reduces the amount of revenue recognized.

Revenues for auxiliary services are recognized as performance obligations are met over the academic term. Because the summer terms span two reporting periods, a portion of the revenue for the summer terms is included in deferred revenue at June 30, 2024 and 2023. Deferred revenues for the summer terms are shown in Note 1 below.

Auxiliary enterprises revenue for the years ended June 30, 2024 and 2023 was \$20,344,859 and \$14,857,974, respectively.

Deferred revenues and deposits

Deferred revenues and deposits represent revenues currently received for programs or activities to be conducted primarily in the next fiscal year, such as summer and fall tuition and fees and room and board. Also included in deferred revenues and deposits is deferred revenue related to sponsorship agreements and commitment deposits received from certain vendors, which will be recognized as income over the lives of the related agreements. In addition, included in deferred revenues are funds received related to certain refundable grants. These amounts are recognized as revenue as the conditions are met in accordance with the underlying terms of the grants.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Deferred revenues and deposits, continued

The balances for deferred revenues and deposits and other liabilities from contracts with customers are shown in the following table at June 30, 2024 and 2023:

	2024	2023
Deferred tuition revenue	\$ 2,627,477	\$ 2,625,604
Deferred grant revenue	\$ 5,390,962	\$ 4,967,868
Deposits and other liabilities:		
Vendors/sponsorship agreements	\$ 557,292	\$ 4,155,935
Other	1,790,999	1,638,216
	<u>\$ 2,348,291</u>	<u>\$ 5,794,151</u>

Contributions

Contributions, including unconditional promises (pledges) to give, are recognized in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fundraising activity. Amounts pledged are recorded as contributions of net assets with donor restrictions if designated by the donors as such.

Contributions of assets other than cash are reported at their estimated fair value at the date of the gift. The University reports non-cash contributions as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit donor restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The University periodically receives artwork from donors for public exhibition purposes. Artwork collections have not been recorded since the University does not have objective and measurable fair values to assign to the artwork.

Contributions of non-financial assets were immaterial during 2024 and 2023.

Split-interest agreements

Contributions receivable from foundations or charitable trusts, of which the University is a beneficiary, are recorded at the net present value of the stream of anticipated receipts using a risk-based discount rate. Related cash collections are recorded as reductions of contributions receivable and adjustments to reflect the contributions receivable from charitable trusts at their net present value are recorded as "change in value of split-interest trusts" in the accompanying statements of activities.

Cash and cash equivalents

Cash and cash equivalents include demand deposit and money market accounts and other highly liquid investments with an original maturity of three months or less. The University has restricted cash accounts related to the bond refinancing that require amounts to be segregated from the University's general operating accounts. The University also classifies restricted cash as cash and cash equivalents in assets in escrow related to debt service and construction. These funds will be used for construction of or debt service payments on certain facilities.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Portfolio investments

Portfolio investments include marketable equity securities and public and private funds that trade at net asset value. Marketable equity securities are measured at fair values based on quoted market prices. The public fund is valued based on the fair value of the underlying assets. Certain private funds may invest a portion of their net assets in securities for which market quotations are not readily available. In such cases, the private fund manager prices such securities using other fair value estimation techniques. The resulting fair value is intended to represent a good faith approximation of the amount that the fund could reasonably expect to receive from the investment if the interest were sold at the time of valuation, based on information reasonably available to the manager at the time the valuation is made.

Interest and dividends are included in net investment return in the accompanying statements of activities. Investment income and realized gains and losses on portfolio investments are recognized upon realization. Unrealized gains and losses are recognized based on changes in fair values during the period. Net investment returns are reported in appropriate net asset classifications based upon the existence of donor restrictions, if any.

Portfolio investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain portfolio investments, it is at least reasonably possible that changes in values of portfolio investments will occur in the near-term.

Tuition receivables

The University grants credit without collateral to a large portion of its students. These tuition and other receivables consist of amounts billed to students for tuition and auxiliary charges. Tuition receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible.

Allowance for credit losses

The University separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the University develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The University believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the University's tuition and other receivables have remained constant since the University's inception.

Non-marketable investments

Non-marketable investments include non-controlling common stock investments in certain closely-held corporations and an investment in a private enterprise. The common stock investments are accounted for using the equity method. The investment in a private enterprise is carried at cost unless circumstances indicate a lower value.

Investments and endowment

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the University's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund, or may permit the University to spend those amounts in accordance with the donor's restrictions on use.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Investments and endowment, continued

- Board-designated endowments, which are resources set aside by the Board of Trustees for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Trustees.

Endowment investments also include portfolio investments purchased with unspent investment income and net gains on these resources. Other long-term investments are held under split-interest agreements with donors.

Endowment investments are reported at fair value with changes to fair value reported in net investment return in the statements of activities. Purchases and sales of portfolio investments are reported on the trade date.

The investment and spending policies for the endowment are discussed in Note 15.

Property, plant, and equipment

Property, plant, and equipment additions are stated at cost if purchased or, if acquired by contribution, at the estimated fair market value on the date of contribution. The University's policy is to capitalize assets acquired for greater than \$5,000. Donated assets are recorded at fair value at the time of receipt of the contributions. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions. The University provides for depreciation over the estimated useful lives of the related assets using the straight-line method.

These estimated useful lives are summarized in the following table:

Land improvements	20-40 years
Leasehold improvements	Lease term
Buildings and improvements	20-40 years
Equipment and furnishings	3-10 years

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is determined by comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset.

If the carrying value of the asset exceeds the cash flows, the asset is considered to be impaired. The impairment charge to be recognized is measured by the amount by which the carrying amount of the asset exceeds its estimated fair value. There were no impairments recognized during the fiscal years 2024 and 2023.

Income taxes

The University has been recognized by the Internal Revenue Service (IRS) as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes has been recorded in the financial statements. The University is required to operate in conformity with the provisions of the IRC to maintain its exempt status.

The University recognizes the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The University does not believe there are any uncertain tax positions.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Income taxes, continued

For the years ended June 30, 2024 and 2023, there were no interest or penalties recorded or included in the University's financial statements. The University is no longer subject to income tax examinations for years prior to 2021. Earnings from unrelated business activities were not significant for the years ended June 30, 2024 and 2023; therefore, no related income taxes are accrued in the accompanying financial statements.

Advances from federal government for student loans

Funds provided by the U.S. government under the Federal Perkins Loans Program (Perkins Loans) were loaned to qualified students prior to October 1, 2017. On September 30, 2017, the authority to make new Perkins Loans ended. Final disbursements were permitted through June 30, 2018. As a result, the University no longer awards Perkins Loans. Receipts of principal and interest payments that create excess cash are returned to the government reducing the liability in the statements of financial position. During the year ended June 30, 2023, the Perkins Loans liquidation process was completed.

Annuities payable

Annuities payable represents amounts due to beneficiaries under various split-interest arrangements in which the University is the trustee. The related assets under these arrangements, approximating \$774,000 and \$721,000 at June 30, 2024 and 2023, respectively, are included in portfolio investments. The amounts due are calculated using risk-adjusted discount rates ranging from 3% to 7% and the IRS life expectancy tables.

Fundraising expenses

Fundraising expenses, approximating \$2,038,000 and \$2,011,000 for the years ended June 30, 2024 and 2023, respectively, are expensed as incurred and included in general administrative and institutional support in the accompanying statements of activities.

Valuation techniques

Investments in non-marketable investment companies are valued at the net asset value of the private fund provided by the underlying investment company manager. Management considers subscription and redemption rights, including restrictions on the disposition of the interest, in its determination of fair value.

Fair value of financial instruments

The fair value of financial instruments held by the University as of June 30, 2024 and 2023 are based on a variety of factors and assumptions and may not necessarily be representative of the actual gains or losses that will be realized in the future and do not include expenses that could be incurred in an actual sale or settlement of such financial instruments.

The carrying values of the University's cash and cash equivalents, assets held in escrow for debt service and construction, tuition and other receivables, accounts payable, accrued expenses, deferred revenue, and other liabilities approximate their fair values based on the short-term nature of these instruments.

The fair values of the University's portfolio investments, which are amounts reported in the statements of financial position, are based on quoted market prices (active and not active).

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Organization and Summary of Significant Accounting Policies, Continued

Functional allocation of expenses

The University's primary program service is instruction. The University incurs some expenses for the benefit of multiple functional areas such as maintenance, utilities, depreciation, repairs and interest costs. To the extent expenses are not attributable to a specific area, they are allocated on a square-footage basis to the functional areas based on the primary purpose of the space. When new space or programs are added, the bases on which costs are allocated are evaluated. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the University.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The University generally does not conduct its fundraising activities in conjunction with other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Reclassifications

Certain amounts in the 2023 financial statements were reclassified to conform to the presentation in the 2024 financial statements.

Adopted accounting pronouncement

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the University that are subject to the guidance in FASB ASC 326 were tuition and other receivables. The University adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

Note 2 – Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of June 30, 2024 and 2023 are as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 18,179,797	\$ 22,749,527
Portfolio investments	124,608,160	88,703,076
Tuition receivables, net	1,561,037	1,165,333
Federal loan receivables	1,209,763	8,620,613
Unconditional promises to give, net	5,268,821	7,381,673
Mortgage note receivable	-	33,400,000
Contribution receivable from foundation	<u>24,000,000</u>	<u>24,000,000</u>
Total financial assets	174,827,578	186,020,222
Less financial assets held to meet donor-imposed restrictions:		
Time or purpose-restricted net assets (Note 15)	(90,572,785)	(93,510,295)
Donor-restricted endowment funds (Note 15)	(31,741,023)	(31,741,023)
Less financial assets not available within one year:		
Contribution receivable from foundation (Note 8)	(22,800,000)	(22,800,000)
Unconditional promises to give, net (Note 7)	<u>(2,962,621)</u>	<u>(5,028,129)</u>
Amount available for general expenditures within one year	<u>\$ 26,751,149</u>	<u>\$ 32,940,775</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Liquidity and Availability of Resources, Continued

The above table reflects donor-restricted and any board-designated endowment funds as unavailable because it is the University's intention to invest those resources for the long-term support of the University's programs. However, in the case of need, the Board of Trustees could appropriate resources from the donor restricted funds available for general use. Note 15 provides more information about those funds and about the spending policies for all endowment funds.

The University invests cash in excess of daily requirements in short-term investments.

Note 3 – Portfolio Investments

A summary of portfolio investments, by investment type, at June 30, 2024 and 2023 is as follows:

	2024	2023
Public fund	\$ 119,696,041	\$ 83,804,264
Private funds	3,996,227	4,048,365
Marketable equity securities	665,243	607,534
Other investments	<u>250,649</u>	<u>242,913</u>
	<u>\$ 124,608,160</u>	<u>\$ 88,703,076</u>

As of June 30, 2024 and 2023, public and private funds represent investments in open-end management investment companies advised by Morgan Stanley-Graystone, J.P. Morgan, Commonfund and TIFF Advisory (the Funds). Investments in the Funds are solely available to large 501(c)(3) organizations and other accredited investors. The University may liquidate a portion or all of its investments in the Funds at their respective net asset value at any time.

At both June 30, 2024 and 2023, the University had approximately 96% and 94%, of its portfolio investments invested in the public fund. At June 30, 2024 and 2023, the University has outstanding commitments to make future investments in private funds aggregating \$6,570,714 and \$6,026,928, respectively.

The following schedule summarizes the net investment return on portfolio and non-marketable investments (see Note 10) for the years ended June 30, 2024 and 2023 and its classification in the statements of activities:

	2024	2023
Net investment income	\$ 4,440,077	\$ 2,178,634
Net realized gains (losses)	411,298	(888,489)
Net unrealized gains	<u>6,575,247</u>	<u>5,851,459</u>
Net investment return	<u>\$ 11,426,622</u>	<u>\$ 7,141,604</u>

Net investment return includes \$178,173 and \$192,378 of direct investment expenses for the years ended June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, net unrealized gains (losses) include \$(194,395) and \$175,367, respectively, attributable to the University's non-marketable investments.

Note 4 – Tuition Receivables

Tuition receivables, net at June 30, 2024 and 2023 consist of the following:

	June 30, 2024		
	Tuition receivables	Allowance for Credit Losses	Tuition receivables, net
Student accounts	<u>\$ 2,818,410</u>	<u>\$ (1,257,373)</u>	<u>\$ 1,561,037</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 4 – Tuition Receivables, Continued

	June 30, 2023		
	Tuition receivables	Allowance for Credit Losses	Tuition receivables, net
Student accounts	<u>\$2,682,280</u>	<u>\$ (1,516,947)</u>	<u>\$ 1,165,333</u>

Note 5 – Allowance for Credit Losses

As of and for the year ended June 30, 2024, changes to the allowance for credit losses for student tuition receivables is as follows:

Beginning of year	\$ 1,516,947
Provision for credit losses	(107,850)
Recoveries	<u>(151,724)</u>
End of year	<u>\$ 1,257,373</u>

Note 6 – Mortgage Note Receivable

In December 2019, the University entered into a contract to sell certain land, buildings, and improvements in a transaction which closed on July 8, 2022 for a sales price of \$41,500,000. The University received cash of \$8,100,000 and a promissory note (the note) for \$33,400,000 secured by a balloon purchase money first mortgage, assignment of rents, and a security agreement. The promissory note accrued interest on the outstanding principal balance at the rate of 5% per annum, computed daily on a 360-day year. During the years ended June 30, 2024 and 2023, respectively, the University earned \$136,667 and \$1,530,833 in interest income which is recognized in other revenue in the accompanying statements of activities. Non-refundable interest was prepaid on the note through August 31, 2023. Interest was payable quarterly, in arrears, with the first payment due September 20, 2023, and all accrued and unpaid interest and principal was due on the maturity date.

The maturity date was the earlier of (1) June 30, 2027, (2) the date the Borrower commenced construction of new improvements on the property, excluding demolition, (3) the date a construction loan for any improvements closed, or (4) 30 days after the earlier of a final judgment in any pending claims or dismissal of pending litigation following an executed settlement agreement. The note could be prepaid in whole or part at any time without fee, premium or penalty. The note was repaid in full in July 2023, with the proceeds invested primarily in money market funds and alternative investments.

Note 7 – Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30, 2024 and 2023:

	2024	2023
Unconditional promises to give before unamortized discount and allowance for uncollectible pledges	\$ 6,226,139	\$ 8,791,450
Less: unamortized discount	<u>(680,012)</u>	<u>(916,004)</u>
Subtotal	5,546,127	7,875,446
Less: allowance for uncollectible pledges	<u>(277,306)</u>	<u>(493,773)</u>
Net unconditional promises to give	<u>\$ 5,268,821</u>	<u>\$ 7,381,673</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 7 – Unconditional Promises to Give, Continued

Unconditional promises to give consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 2,583,506	\$ 2,847,317
One to five years	<u>3,642,633</u>	<u>5,944,133</u>
Total	<u>\$ 6,226,139</u>	<u>\$ 8,791,450</u>

The University applies a 5.0% discount rate to its pledges with terms in excess of one year.

Note 8 – Contribution Receivable from Foundation

At June 30, 2024 and 2023, the University has a contribution receivable from the Theodore R. and Vivian M. Johnson Foundation, Inc. (the Foundation) in the amount of \$24,000,000. Under the bylaws of the Foundation, the University is entitled to receive the lesser of the stated percentages of income from the assets held by the Foundation or \$1,200,000 annually in perpetuity.

Contributions receivable from the Foundation are reflected based on the present value of the expected cash flows using a 5% discount rate. The University received \$1,200,000 from the Foundation for each of the years ended June 30, 2024 and 2023. Gains and losses resulting from the accretion of the discount are recorded as increases or decreases in change in value of split-interest trusts in the accompanying statements of activities.

Note 9 – Contributions Receivable from Charitable Trust

The University is the beneficiary of a Charitable Remainder Annuity Trust. The beneficial interest is reported at fair value, which is measured as the present value of the payments expected to be received at the termination of the trust. The fair value is re-measured at each fiscal year end, using updated life expectancies, interest rates, and estimated cash flows to estimate the fair value of the beneficial interest. At June 30, 2024, the interest rate assumption used was 5%, which is approximately equal to the expected return on the trust assets over time.

Note 10 – Non-marketable Investments

Non-marketable investments include the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Common stock investments	<u>\$ 2,712,359</u>	<u>\$ 2,906,754</u>

The common stock investments represent 100%, non-controlling interests in corporations that own and operate a pre-school and day-care center located in Lantana, Florida. Subsequent to year-end, the University obtained controlling interests in the corporations due to the closure of the pre-school and day-care center, and the University is in the process of determining the future status of the corporations.

Aggregate unaudited summarized financial information for the common stock investments as of June 30, 2024 and 2023 and for the years then ended is presented in the following table:

	<u>2024</u>	<u>2023</u>
<u>At year-end:</u>		
Assets, principally land and certificates of deposit	\$ 2,712,359	\$ 2,906,754
Liabilities	<u>-</u>	<u>-</u>
Shareholder's equity	<u>\$ 2,712,359</u>	<u>\$ 2,906,754</u>
<u>For the year ended:</u>		
Revenue	\$ 738,303	\$ 1,194,589
Expenses	<u>1,151,726</u>	<u>1,106,456</u>
Net (loss) gain	<u>\$ (413,423)</u>	<u>\$ 88,133</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 11 – Fair Value Measurements

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of the fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The University's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table summarizes the University's determination of fair value as of June 30, 2024 and 2023 on the following financial assets and liabilities using these input levels that are measured at fair value on a recurring basis:

	Fair Values at June 30, 2024			Fair Value Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Public fund:				
Money market funds	\$ 46,723,957	\$ -	\$ -	\$ 46,723,957
Equities	45,868,583	-	-	45,868,583
Mutual funds	5,580,052	-	-	5,580,052
Alternative	-	-	21,523,449	21,523,449
Total public fund	98,172,592	-	21,523,449	119,696,041
Private funds	-	-	3,996,227	3,996,227
Marketable equity securities	665,243	-	-	665,243
Other investments	-	250,649	-	250,649
Total assets	<u>\$ 98,837,835</u>	<u>\$ 250,649</u>	<u>\$ 25,519,676</u>	<u>\$ 124,608,160</u>
Liabilities:				
Annuities payable	\$ -	\$ (105,078)	\$ -	\$ (105,078)
Total liabilities	<u>\$ -</u>	<u>\$ (105,078)</u>	<u>\$ -</u>	<u>\$ (105,078)</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 11 – Fair Value Measurements, Continued

	Fair Values at June 30, 2023			Fair Value Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Public fund:				
Money market funds	\$ 8,866,683	\$ -	\$ -	\$ 8,866,683
Equities	37,695,817	-	-	37,695,817
Mutual funds	18,874,332	-	-	18,874,332
Alternative	-	-	18,367,432	18,367,432
Total public fund	65,436,832	-	18,367,432	83,804,264
Private funds	-	-	4,048,365	4,048,365
Marketable equity securities	607,534	-	-	607,534
Other investments	-	242,913	-	242,913
Total assets	<u>\$ 66,044,366</u>	<u>\$ 242,913</u>	<u>\$ 22,415,797</u>	<u>\$ 88,703,076</u>
Liabilities:				
Annuities payable	\$ -	\$ (122,059)	\$ -	\$ (122,059)
Total liabilities	<u>\$ -</u>	<u>\$ (122,059)</u>	<u>\$ -</u>	<u>\$ (122,059)</u>

The following is a schedule of Level 3 investment activity for the year ended June 30, 2024 measured on a recurring basis using significant unobservable inputs:

	Investments in private and alternative funds
Balance as of July 1, 2023	\$ 22,415,797
Net investment gain	1,298,532
Net purchases	1,805,347
Balance as of June 30, 2024	<u>\$ 25,519,676</u>

There have been no significant changes in the methodologies used during the years ended June 30, 2024 and 2023. The following is a description of the valuation methodologies used for Level 2 and Level 3 investments measured at fair value:

Private and alternative funds - recorded at an estimate of fair value using valuation metrics such as security prices of comparable public companies, discounted cash flow models, original investment purchase price multiples, while also incorporating a portfolio company's financial performance and specific risk factors.

Annuities payable – determined using risk-adjusted discount rates ranging from 3% to 7% and the IRS life expectancy tables.

Other investments – recorded at the net cash surrender value of life insurance policies.

The University's investments in the public fund may be redeemed daily. The investments in private funds may be redeemed on a quarterly basis upon proper notice being given to the respective fund manager.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 12 – Property, Plant, and Equipment

The following is a summary of property, plant, and equipment and related accumulated depreciation as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 30,076,033	\$ 20,839,052
Land improvements	13,727,221	13,727,221
Leasehold improvements	178,010	178,010
Buildings and improvements	157,766,901	149,490,110
Equipment and furnishings	<u>23,791,689</u>	<u>22,376,256</u>
	225,539,854	206,610,649
Less: accumulated depreciation	<u>(115,652,503)</u>	<u>(109,349,641)</u>
	109,887,351	97,261,008
Construction in progress	<u>4,504,093</u>	<u>4,682,162</u>
Property, plant, and equipment, net	<u>\$ 114,391,444</u>	<u>\$ 101,943,170</u>

Depreciation totaled \$6,302,861 and \$5,833,799 for the years ended June 30, 2024 and 2023, respectively. Construction in progress at June 30, 2024 and 2023 represents costs incurred for various new construction and campus improvement projects.

Note 13 – Long-Term Debt, Net

Long-term debt at June 30, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Palm Beach County Educational Facilities Authority Revenue Bonds, Series 2021 (Series 2021 Bonds)	\$ 34,465,000	\$ 35,125,000
Palm Beach County Educational Facilities Authority Revenue Bonds, Series 2024 (Series 2024 Bonds)	45,000,000	-
2018 Promissory note	1,500,000	1,500,000
2022 Promissory note	<u>2,900,000</u>	<u>2,900,000</u>
	<u>\$ 83,865,000</u>	<u>\$ 39,525,000</u>

Series 2021 Bonds

In October 2021, the University issued \$35,740,000 of revenue funds (Series 2021 Bonds) which were used to settle its interest rate swap agreement, refund its Series 2012 Bonds, repay the Term Note Payable and finance future capital projects. The Series 2021 Bonds bear interest at an average rate of 4.0% and are repayable between 2022 and 2051. On the closing date, the net proceeds from the sale of the Series 2021 Bonds totaled \$39,840,596 which included a premium of \$4,257,998, net of an underwriter's discount of \$157,461.

Series 2024 Bonds

In February 2024, the University issued \$45,000,000 of revenue funds (Series 2024 Bonds) to finance a) a portion of the capital expenditures related to the Marshall E. Rinker, Sr. School of Business, and b) paying costs of issuing the Series 2024 Bonds. The Series 2024 Bonds bear interest at an average rate of 5.0% and are repayable between 2028 and 2053. On the closing date, the net proceeds from the sales of the Series 2024 Bonds totaled \$47,905,000 which included a premium of \$3,462,861, net of an underwriter's discount of \$557,861.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 13 – Long-Term Debt, Net, Continued

Series 2024 Bonds, continued

The original issue premium is being amortized over the life of the Series 2024 Bonds. These bonds carry substantially the same covenants as the Series 2021 Bonds.

2018 Promissory Note

In June 2018, the University borrowed \$1,500,000 from a foundation, in which a member of the University's Board of Trustees serves as an officer, to finance the purchase of certain real property in West Palm Beach, Florida to be used for future classroom space. The promissory note is uncollateralized and bears interest at 5% per annum. Interest is payable quarterly through June 13, 2025, when the entire outstanding principal balance shall be due and payable.

2022 Promissory Note

In August 2022, the University entered into a contract with a foundation, in which a member of the University's Board of Trustees serves as an officer, to purchase land and buildings for a purchase price of \$2,800,000. The purchase was completed on August 29, 2022. In conjunction with the purchase, the University also entered into a promissory note payable for \$2,900,000 on September 2, 2022. The note accrues interest at a rate of 5.0% per annum on the unpaid principal balance until maturity or until the outstanding balance is paid. Interest is payable quarterly, beginning December 13, 2022 and quarterly thereafter. The note may be prepaid on or after September 1, 2024. Principal payments of \$1,000,000 are due September 1, 2027 and 2028 with the remaining balance due and payable in full on September 1, 2029.

Debt issuance costs and bond premium

Amortization of debt issuance costs is reported in the statements of activities as an operating expense and amounted to \$19,067 and \$12,799 for the years ended June 30, 2024 and 2023, respectively. The bond premium is amortized over the life of the related bonds using the effective interest method. Bond premium amortization offsets interest expense and amounted to \$263,644 and \$232,109 for the years ended June 30, 2024 and 2023, respectively. The outstanding balance of long-term debt, net at June 30, 2024 and 2023 is as follows:

	2024	2023
Long-term debt	\$ 83,865,000	\$ 39,525,000
Plus: unamortized bond premium	7,062,046	3,862,829
Less: unamortized debt issuance costs	<u>(901,439)</u>	<u>(362,645)</u>
Total long-term debt, net	<u>\$ 90,025,607</u>	<u>\$ 43,025,184</u>

Principal payments

Principal payments due on long-term debt in each of the five years subsequent to June 30, 2024, and thereafter, are presented as follows:

Year Ending June 30,	Series 2024 Bonds	Series 2021 Bonds	2018 Promissory Note	2022 Promissory Note	Total Payments
2025	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000
2026	-	715,000	1,500,000	-	2,215,000
2027	-	745,000	-	-	745,000
2028	-	775,000	-	1,000,000	1,775,000
2029	795,000	805,000	-	1,000,000	2,600,000
Thereafter	<u>44,205,000</u>	<u>30,740,000</u>	<u>-</u>	<u>900,000</u>	<u>75,845,000</u>
Total	<u>\$ 45,000,000</u>	<u>\$ 34,465,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,900,000</u>	<u>\$ 83,865,000</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 13 – Long-Term Debt, Net, Continued

Deposits with bond trustees consist of debt service funds and unexpended proceeds of Series 2024 Bonds totaling \$44,749,921 at June 30, 2024 and are included in assets held in escrow for debt service and construction in the statement of financial position.

The University was in compliance with all debt covenants as of June 30, 2024.

Note 14 – Retirement Plan

Retirement benefits are provided through a qualified 403(b) defined contribution plan. The University matched employee contributions up to 5% of the annual compensation for participating employees through March 31, 2023, and up to 6% beginning April 1, 2023. Retirement plan expense for the years ended June 30, 2024 and 2023 amounted to \$1,459,381 and \$1,190,437, respectively.

Note 15 – Restricted Net Assets and Endowment

The University's endowment is established for the purposes expressed in the University's charter and consists of donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. The endowment consists of 219 individual endowments established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

At June 30, 2024 and 2023, net assets with donor restrictions consist of the following:

	2024	2023
Purpose restrictions, available for spending:		
Instruction	\$ 4,812,842	\$ 5,037,100
Academic support	2,103,714	1,865,081
Student services	296,081	476,609
General administrative and institutional support	18,058,702	19,869,581
Plant facilities and maintenance	24,181,735	27,885,067
Scholarships and student aid	41,119,711	38,376,857
Restrictions, perpetual in nature	<u>31,741,023</u>	<u>31,741,023</u>
	<u>\$ 122,313,808</u>	<u>\$ 125,251,318</u>

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. Any such losses are recorded as reductions in net assets with donor restrictions and restored with subsequent gains.

Interpretation of relevant law

The University adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). FUPMIFA requires the Board of Trustees (the Board) to use reasonable care, skill and caution as exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with FUPMIFA, the Board may expend so much of an endowment as the Board determines to be prudent for the uses and purposes for which the endowment is established, consistent with the goal of conserving the purchasing power of the endowment.

The Board considers the following factors in making its determination:

- 1) The purpose of the University,
- 2) The intent of the donor of the endowment funds,

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 15 – Restricted Net Assets and Endowment, Continued

Interpretation of relevant law, continued

- 3) The term of the applicable instrument,
- 4) General economic conditions,
- 5) The possible effect of inflation or deflation,
- 6) The long-term and short-term needs of the University in carrying out its exempt purpose,
- 7) Perpetuation of the endowment.

Return objectives and risk parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to scholarship and other activities supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity as well as board-designated funds.

Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of multiple benchmarks based on the type of investment while assuming a moderate level of investment risk. The University expects its endowment assets, over time, to provide an average rate of return that will meet its spending rate plus the inflation rate. Actual returns in any given year may vary from this amount.

Strategies employed to achieve objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy

The University's spending policy is designed to provide for positive growth in the market value of its endowment, net of distributions, over an extended period of time. Over the long-term, the spending policy is designed to return a net positive gain in the market value (growth) after spendable transfers. The budgeted spending rate is based upon approximately 4.9% of the 3-year average balance in each fund through June 30, provided that such spending will not cause the balance in that fund to drop below the corpus of that fund.

Changes in endowment net assets for the year ended June 30, 2024 follow:

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Balance as of July 1, 2023	\$ 12,487,364	\$ 89,229,653	\$ 101,717,017
Net investment return	1,137,667	6,726,439	7,864,106
Contributions	-	973,097	973,097
Change in value split-interest trusts	-	1,154,723	1,154,723
Appropriations for endowment expenditures	(616,301)	(1,322,180)	(1,938,481)
Total endowment gifts and designations	<u>\$ 13,008,730</u>	<u>\$ 96,761,732</u>	<u>\$ 109,770,462</u>

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 15 – Restricted Net Assets and Endowment, Continued

Spending policy, continued

A reconciliation of endowment net assets to total net assets for the year ended June 30, 2024 follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Total endowment gifts and designations	\$ 13,008,730	\$ 96,761,732	\$ 109,770,462
Other non-endowment net assets	<u>99,432,293</u>	<u>25,552,076</u>	<u>124,984,369</u>
Total net assets	<u>\$ 112,441,023</u>	<u>\$ 122,313,808</u>	<u>\$ 234,754,831</u>

Note 16 – Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events as specified by the donors. Net assets were released from restrictions during the years ended June 30, 2024 and 2023 for the following purposes:

	2024	2023
Instruction	\$ 3,292,858	\$ 2,604,411
Academic support	6,855	58,352
Student services	707,894	166,992
General administrative and institutional support	3,280,307	274,540
Plant facilities for maintenance	7,310,073	10,495
Scholarships and student aid	<u>4,309,151</u>	<u>3,844,672</u>
	<u>\$ 18,907,138</u>	<u>\$ 6,959,462</u>

Note 17 – Description of Leasing Arrangements

As Lessor

The University leases certain office facilities and property to third parties under short-term operating leases. Rental income for the years ended June 30, 2024 and 2023 was not material.

As Lessee

The University has noncancelable operating leases for its Orlando, Florida campus and certain real property in West Palm Beach, Florida, along with other operating leases for equipment. The noncancelable operating lease for the real property in West Palm Beach, Florida has an initial term of 99 years and expires in 2106. The remaining noncancelable operating leases have terms that extend through 2027.

The University considered the likelihood of exercising renewal or termination terms in measuring its right-of-use lease assets and lease liabilities and has included renewal periods in its assessment of lease terms. The exercise of renewal options is at the sole discretion of the University, and only lease options that the University believes it is reasonably certain to exercise are included in the measurement of the lease assets and liabilities. While all the agreements provide for minimum lease payments, some include payments adjusted for inflation and inflation related measures. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants. The discount rate used for operating lease liabilities is the risk-free U.S. Treasury rate.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 17 – Description of Leasing Arrangements, Continued

As Lessee, continued

The right-of-use assets are amortized over their estimated useful lives. The operating lease right-of-use assets and lease liabilities as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating right-of-use assets	<u>\$ 15,971,380</u>	<u>\$ 9,566,212</u>
Operating lease liabilities	<u>\$ 15,971,380</u>	<u>\$ 9,566,212</u>

The components of operating lease expense that are included the statements of activities for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 1,423,184	\$ 1,709,817
Variable lease cost	\$ 51,625	\$ 190,639
Short-term lease cost	\$ 5,870	\$ 147,488

The following summarizes the cash flow information related to operating leases for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	<u>\$ 1,200,364</u>	<u>\$ 1,035,293</u>
ROU assets obtained in exchange for new lease liabilities	<u>\$ 7,134,095</u>	<u>\$ -</u>

Weighted average lease term (in years) and discount rate as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (in years)	42.91	65.95
Weighted average discount rate	3.27%	2.50%

At June 30, 2024, the minimum future payments under operating leases (with initial or remaining lease terms in excess of one year) are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 1,952,687
2026	1,355,113
2027	1,048,601
2028	803,015
2029	821,529
Thereafter	<u>17,962,148</u>
Total minimum lease payments	23,943,093
Less: present value discount	<u>(7,971,713)</u>
Present value of lease liability	<u>\$ 15,971,380</u>

Provident Group – PBAU Properties, LLC

The University entered into a 40-year ground lease with Provident Group – PBAU Properties, LLC and Provident Resources Group, Inc. (Owner), commencing June 1, 2019, in which the Owner designed, constructed, managed the construction, and furnished a 510-bed residence hall facility (residence hall) for the benefit of the University. The Owner issued \$40,755,000 of revenue bonds through Palm Beach County, Florida to finance the construction of the residence hall.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 17 – Description of Leasing Arrangements, Continued

Provident Group – PBAU Properties, LLC, continued

The University is not contingently liable in the event of a default on the bonds. The ground lease term shall expire on the earlier of 1) the 40th anniversary of the commencement date or 2) the date on which the bonds associated with the project have been fully repaid or the indenture is discharged.

The University and Owner entered into a management agreement such that the University is responsible for managing, operating and maintaining the residence hall in conjunction with its general business. Revenues and expenses associated with the residence hall are generally the responsibility of the Owner. The bonds will be repaid from the revenues from the residence hall. A ground lease payment will be paid to the University only upon settlement of various expenses and if minimum cash requirements are met. Ground lease income of \$707,138 and \$505,887 was received for the years ended June 30, 2024 and 2023.

The University will be reimbursed by the Owner for utilities and other operating expenses. All liens and rights are subordinate to the University.

Ownership of the residence hall will revert to the University upon termination of the ground lease and full repayment of the related bonds. The University has the option to purchase the Owner's right, title and interest in the residence hall beginning on the tenth anniversary of the commencement date of the lease.

The University has not recorded any transactions related to potential future title or ownership in the residence hall through June 30, 2024.

Arrangements such as the one among the University, the Owner and Palm Beach County, Florida, (which financed the bonds to fund the residence hall), are sometimes referred to as public-private partnerships (or P3 arrangements). No partnership agreement exists, and each party has specific rights and obligations under the agreements discussed above. Given the nature of this arrangement, the University has concluded that this arrangement does not qualify for consolidation with the University's financial statements prepared in conformance with U.S. GAAP.

Note 18 – Insurance

The University is a member of the Florida Independent Colleges and Universities Risk Management Association (FICURMA), a comprehensive insurance and risk management program which provides coverage for workers' compensation, general liability, property, and auto liability. FICURMA's members make annual contributions into the program based on an independent actuarial valuation to cover the members' retained deductible components, which include \$1,000,000 per occurrence for covered insurance claims. Claims in excess of the self-insured retention limits are covered under excess coverage policies with the program's carrier up to various aggregate limits. Previously, the University advanced \$350,000 to FICURMA to allow FICURMA to work independently of its members. The advance bears interest at a variable rate determined by FICURMA's annual aggregate return of its invested capital. A portion of the 2009 note and 2010 note was repaid by FICURMA to the University in the amount of \$32,500 and \$142,500 during the years ended June 30, 2024 and 2023, leaving a remaining balance of \$32,500 at June 30, 2024. The advance is fully reserved as of both June 30, 2024 and 2023.

FICURMA was fully funded by its members as of June 30, 2024 and 2023, and management believes that the program has the ability to cover the members' known and incurred, but not reported, claims exposure related to the retained deductible components.

Insurance expense related to the FICURMA program amounted to \$4,239,342 and \$3,513,442, respectively, for the years ended June 30, 2024 and 2023 and is included in institutional support in the accompanying statements of activities.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 19 – Legal Proceedings

From time to time, the University is a party to various litigation and other claims in the ordinary course of conducting its activities. The University recognizes liabilities for legal proceedings when a loss is probable and estimable. In the event that a loss is probable and estimable within a range, the University accrues the amount most likely to be incurred.

Note 20 – Risks and Concentrations

Financial instruments which potentially subject the University to concentrations of credit risk consist principally of cash and cash equivalents. The University maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The University has not experienced any losses in such accounts.

A substantial number of the University's students independently receive state and federal grants and tuition loans. A significant reduction in state and federal grants and student loans, if this were to occur, would have a significant effect on the University's operations and activities.

Note 21 – CARES Act Assistance

The CARES Act provides an employee retention credit (CARES Employee Retention Credit), which is a refundable tax credit against certain employment taxes for qualifying employers. The employee retention tax credit allows for a maximum credit of \$7,000 per employee for each eligible quarter in 2021 and a maximum credit of \$5,000 per employee in 2020 (aggregating all eligible quarters). For 2021, the tax credit is equal to 70% of qualified wages paid to employees during an eligible quarter, capped at \$10,000 of qualified wages per employee per each eligible quarter. The 2021 provisions consider the three calendar quarters from January 1, 2021 through September 30, 2021 as eligible quarters. For 2020, the tax credit is equal to 50% of qualified wages paid to employees, capped at \$10,000 of qualified wages per employee for all of 2020.

During the year ended June 30, 2022, the University recorded \$8,524,357 related to the CARES Employee Retention Credit. Amounts received or receivable may be subject to audit by the Internal Revenue Service and any disallowed expenses, including amounts already received, might constitute a liability of the University for return of those funds. Although this is a possibility, the University considers the contingency remote, since management believes that the University has fulfilled the provisions of the refundable tax credit. During the years ended June 30, 2024 and 2023, the University collected \$7,449,308 and \$169,903, respectively, of the CARES Employee Retention Credit with \$905,146 remaining to be received from the United States Treasury at June 30, 2024.

Note 22 – Commitments

Dining Services Agreement

On March 31, 2020, the University entered into a Dining Services Management Agreement (Agreement) with Aramark Educational Services, LLC (Aramark) to provide and manage the University's campus food service program. The agreement is for a ten-year period beginning July 1, 2020 and ending on June 30, 2030. Either party may terminate the agreement by giving a 90-days' notice prior to the proposed termination date. The termination provision of the agreement requires that during the notice period, both parties endeavor in good faith to avoid the termination of the agreement.

As part of the agreement, the University received advances from Aramark in the form of financial investments to improve dining facilities and equipment in exchange for the exclusive rights to use the University's facilities and equipment. These advances are refundable to Aramark should the University terminate the agreement prior to its expiration, the refundable amount is proportionate to the unexpired portion of the agreement.

PALM BEACH ATLANTIC UNIVERSITY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 22 – Commitments

Dining Services Agreement, continued

Accordingly, the University recorded the unamortized portion of these advances as a component of deposits and other liabilities in the accompanying statements of financial position. In the event of termination, the remaining unamortized advances convert to an interest-bearing obligation.

The University and Aramark entered into an amendment (Amendment) to the Agreement effective July 1, 2024. The Amendment extended the period of the agreement to June 30, 2040, and resulted in remaining advances being recognized as revenue during the year ended June 30, 2024 and included in auxiliary enterprises revenue in the accompanying statement of activities. The termination provision of the Amendment includes a termination penalty payable by the University to Aramark in the event the Agreement is terminated prior to the expiration date.

Contract commitments

The University has outstanding commitments with various contractors related to construction activities at June 30, 2024, as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Incurred to Date</u>	<u>Remaining Commitment</u>
Business School	\$ 76,487,714	\$ 5,592,575	\$ 70,895,139
Sachs Hall	366,250	155,000	211,250
	<u>\$ 76,853,964</u>	<u>\$ 5,747,575</u>	<u>\$ 71,106,389</u>

Note 23 – Related Party Transactions

The University receives funding from, and conducts general business transactions with, various entities that have Trustee member affiliations. These transactions are reported to the Board of Trustees annually, and none are material to the financial statements.

Interest paid for the years ended June 30, 2024 and 2023 was \$220,000 and \$188,000, respectively, on the promissory notes from a foundation in which a member of the University's Board of Trustees serves as an officer.

Note 24 – Supplemental Statement of Cash Flows Disclosure

Interest paid for the years ended June 30, 2024 and 2023 approximated \$1,612,000 and \$1,570,000, respectively.

Note 25 – Subsequent Events

The University evaluated its activities subsequent to June 30, 2024 through November 26, 2024, the date on which the financial statements were available to be issued, for events that require recognition in the financial statements or disclosure in the notes thereto.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Trustees
Palm Beach Atlantic University, Inc.
West Palm Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Palm Beach Atlantic University, Inc., a non-profit organization, (the University), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

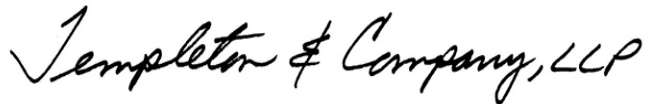
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, with which noncompliance could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Templeton & Company, LLP". The signature is written in a cursive, flowing style.

West Palm Beach, Florida
November 26, 2024

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APPENDIX C
MARKET STUDY

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Student Housing Feasibility Assessment Update

Palm Beach Atlantic University

March 2025

scion ADVISORY
SERVICES



Table of Contents

- I. [Executive Summary](#)
- II. [Current Conditions](#)
- III. [Off-Campus Market Analysis](#)
- IV. [Peer Institutional Analysis](#)
- V. [Summary of Qualitative Feedback and Survey Results](#)
- VI. [Demand and Gap Analysis](#)
- [Appendices](#)





Executive Summary

Engagement Overview

Scion Advisory Services was engaged in November 2024 to update the original Student Housing Feasibility Assessment completed in June 2024. The objective of this report is to understand on-campus housing demand, as well as preferred room configurations and amenities.

Engagement Overview

Palm Beach Atlantic University ("PBA" or "University/Institution") acknowledges the pivotal role that student housing plays in achieving institutional objectives and enhancing the overall student experience. The Institution is committed to ensuring that it offers housing that effectively caters to the needs of its student residents. In alignment with these objectives, PBA, in connection with Gilbane Development Company ("Gilbane"), plans to develop new on-campus student housing to be delivered fall 2027.

To empower decision making, in November 2023, Scion Advisory Services ("Scion") was engaged by Gilbane to conduct a Student Housing Feasibility Assessment for a proposed 990-bed mixed-use residence hall ("Project"). This original report was finalized in June 2024. Scion was reengaged in November 2024 to update the report, the results which are contained herein. The goal of this report is to identify student housing preferences, on-campus housing demand, ideal room configurations, and amenities needed to meet student preferences.

Acknowledgments

Scion would like to thank PBA administrators, staff, faculty, students, and the Gilbane Development Team for their engagement and the information provided, all of which contributed to this report.

¹ The "Project" refers to Phase I of the overall development plan. Phase II of the development is outside of the scope of this engagement.

Project Description

The Project is Phase I of a two-phased mixed-use development.¹ As planned, Phase 1 consists of 990 student housing apartment beds, a dining component, a parking garage, and recreational facilities. Phase 2 includes a 75,000-square-foot health sciences building. The site consists of two parcels totaling 1.705 acres:

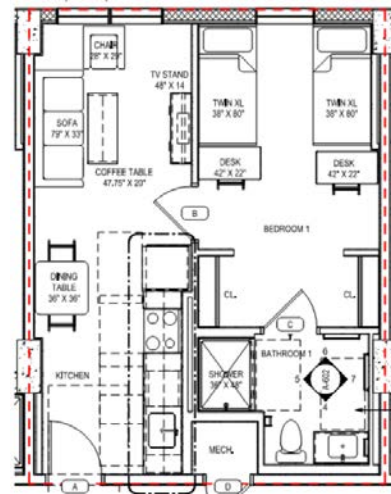
- Site 1: 1200 S Dixie Highway: 0.0921-acre parcel
- Site 2: 321 Acacia Rd: 1.6129-acre vacant parcel

PBA leadership envisions the Project will provide additional housing facilities to support PBA's projected enrollment growth and allow for more diverse on-campus housing options.

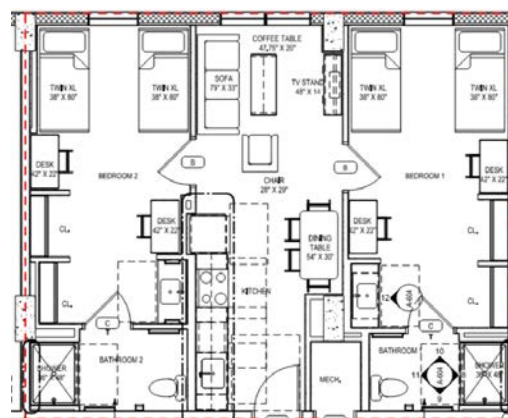
Executive Summary

Unit Type	# Units	Total # Beds	Rent by Type	Lease # (mths)
2 Bed Apartment	29	58	Per Bed	12 mths
4 Bed Apartment	139	556	Per Bed	12 mths
3 Bed Apartment	15	45	Per Bed	12 mths
2 Bed Apartment Ocean View (+\$80 per month assuming 12-month lease)	15	30	Per Bed	12 mths
4 Bed Apartment Ocean View (+\$80 per month assuming 12-month lease)	70	280	Per Bed	12 mths
3 Bed Apartment Ocean View (+\$80 per month assuming 12-month lease)	7	21	Per Bed	12 mths
Total	275	990		

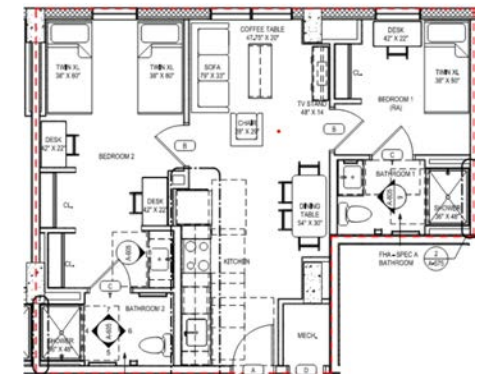
2 Bed Apartment



4 Bed Apartment



3 Bedroom Apartment
RA to live in Single Occupancy Room



Key Findings

PBA's enrollment is experiencing a shift to include more non-local students. This report examines how this demographic shift, coupled with the introduction of 990 new beds and the decommissioning of select existing beds, may affect housing demand. If projections from PBA are accurate or exceeded, the [overall housing demand](#) will align with the anticipated changes in housing inventory, including the construction of the new Project.



Enrollment Trends: PBA's [full-time enrollment](#) continues to grow, with a 7.0% increase and the largest freshman class in school history in Fall 2024. The University expects enrollment momentum to continue, driven by strong recruitment and retention strategies.



On-Campus Housing Capacity: PBA currently provides 1,432 on-campus beds across [eight residence halls](#). In addition, the university owns Malverne Apartments (12 beds), located about 1.5 miles south of campus, and master leases 126 beds at Tortoise One Apartments, Southern Bridge Apartments, and Arkona Apartments. The number of master leased beds fluctuates year-to-year - in fall 2025, PBA has indicated they plan to offer 206 master leased beds.



On-Campus Housing Occupancy: Occupancy has varied over the past seven years, peaking at 97% in 2022/2024, with a low of 80% in Fall 2020 during the COVID-19 pandemic. Despite these fluctuations, occupancy has been strong post-pandemic, averaging around 96%. They also noted they have had waitlists the last two years, an issue they believe is curbing yield and the number of matriculants.



Live-On Requirement: PBA requires all full-time undergraduate students aged 17-20 to reside on campus, while students 21-22 have the option but are not required. Graduate students are not eligible for campus housing. Beginning in Fall 2025, the live-on requirement will expand to include students aged 17-21, with 22-year-olds maintaining the option to live on campus. The University indicated that if they had enough housing capacity, it would expand this to a four-year residency requirement.



Change in Housing Capacity: Based on the current plans, the development of the Project would grow PBA's housing portfolio by 53.5% (addition of the Project's 990 beds coupled with the removal of four existing buildings 217 beds).



Singular Development Phase: Located in West Palm Beach, FL, PBA neighbors land that is both scarce and expensive. The cost of the land, coupled with the current development landscape, severely limits the feasibility of building the Project in multiple phases. Consequently, the Institution has a singular opportunity to develop additional student housing on the proposed site, the primary driver of the overall size of the Project.

Key Considerations

With the continued demographic shifts projected by PBA and the strict enforcement of an expanded campus living requirement, student housing demand will likely continue to increase. However, if these changes result in lower-than-anticipated demand, there may be reduced occupancy for an extended period. PBA must be prepared to efficiently implement strategic plans (outlined to the right and on the following page) to maintain the health of the overall housing portfolio.

Below are positive demand indicators, action plans, and potential impacts that require consideration prior to moving forward with the Project.

Positive Demand Indicators

PBA's housing demand is influenced by a combination of institutional initiatives and external market conditions. The following points outline key demand indicators that will positively influence the Project.

- **Strategic Enrollment Growth:** The University is intentionally working to grow enrollment, including the implementation of new academic programs and the execution of multiple recruitment and retention strategies that will attract more non-local students. These efforts have proven to be successful as PBA met its enrollment growth projections in fall 2024 and are anticipating the same in fall 2025. Additional information on how these strategies have already positively affected enrollment can be referenced in [Appendix E](#).
- **Removal of Existing Residence Halls:** PBA plans to decommission Weyenberg, Pembroke, Coastal, and Malverne (total of 217 beds) prior to the opening of the Project. Further, PBA will discontinue all current and future master leases (126 beds in academic year 2024-2025). In total, PBA will remove 343 beds from its current housing offerings.
- **Christ-centered Culture:** The University's distinct Christ-focused educational approach continues to attract students seeking niche higher education experiences. Its prime beachside location further enhances its appeal.
- **Off-Campus Housing Scarcity:** There are limited nearby places to live off-campus at affordable prices, further encouraging on-campus living.

Strategic Action Plan Considerations

The large scale of The Project necessitates careful planning to ensure optimal occupancy. While it is designed to accommodate future enrollment growth, temporary solutions may be needed to address potential occupancy challenges in the initial years. The following considerations explore opportunities to maximize housing utilization while preserving the student-focused living experience.

- **Potential of non-student residents:** Consider opening housing to accommodate faculty, staff, and the general workforce, as necessary. While these groups could be integrated into the Project, their inclusion might be seen as contradictory to the goal of fostering a tightly-knit *student* community. To maintain a student-centric environment, consider reserving the Project exclusively for students and utilizing some of the smaller existing buildings to accommodate faculty, staff, and other workforce housing needs. Existing rooms could be converted to single occupancy rooms to assist in housing these other populations, many which have needs slightly nuanced from students.

Key Considerations Continued

Strategic Action Plan Considerations Continued

- Short-Term Housing Solutions: The Project is intended to house single students; but with the likelihood of the availability of vacant beds at initial opening (due to the size of the Project), PBA should be open to the possibility of housing couples and students with families, at least temporarily.
- Strategic Housing Adjustments: Mobilize and prepare for the potential repurposing or decommissioning of beds and residence halls, including Weyenberg, Pembroke, and Coastal, as part of a broader housing strategy. Based on the [gap analysis](#), reducing the number of existing suite-style beds would move the campus inventory toward an optimal student bed mix.
- RA Unit Configuration Consideration: Housing an RA in a single bedroom within a shared three-bedroom unit may present privacy challenges for both the RA and residents. Best practices suggest providing RAs with more distinct living arrangements to support their role while maintaining a comfortable environment for all residents.

Potential Student Impact

- Intentionality in Community Building: The existing residence halls consist of buildings that roughly house between 20 and 500 students each. In contrast, the Project would be notably larger, potentially housing most of the resident population in a single building. Prioritizing efforts to establish "communities within communities" is vital for preventing student isolation and enhancing mental well-being.
- Affordability and Housing Selection: The Project's rates will be higher than existing housing options. As new construction replaces decommissioned residence halls, fewer lower-cost housing choices will be available, potentially limiting students' ability to find options that align with their budgets and increasing their overall educational expenses. This is exacerbated as the cost of education and cost of living are expected to rise due to economic uncertainty and rapidly evolving policies under the new administration. That said, planning for thoughtful rate structures and ongoing market analysis will be essential to maintaining accessibility while aligning with the University's objectives.

The preceding two pages delineates aspects requiring careful consideration and attention before proceeding with the Project. The following outlines critical factors and events necessary for the success of the Project, the vitality of the PBA housing portfolio, and the overall strength of the University.

Enrollment Growth

The importance of PBA reaching, and ideally surpassing, its enrollment goal projections cannot be overstated. Furthermore, it is essential that this growth primarily stem from full-time, in-person students. Therefore, PBA's success of its current targeted recruitment strategy aimed at attracting out-of-state, international, and students residing beyond the geographic exemption zone should take precedence, as they are most likely to be required to live on campus.

Fortunately, the Fall 2024 freshman class exceeded projected enrollment forecasts, highlighting PBA's effective implementation of its recruitment and retention strategies. A continuance of this trend, combined with a focus on retention is important for sustained success.



Building Decommissioning

Even if all enrollment goals are met, due to the size of the development, achieving stabilized occupancy for the Project in the first few years may necessitate the decommissioning or repurposing of additional existing beds, either permanently or temporarily. The University may also consider repurposing existing beds for faculty/staff or family housing to help maintain stable occupancy while supporting increased occupancy in the new project. However, shifting existing buildings to serve other populations should be carefully considered within the context of institutional priorities, campus safety, and the long-term plan for housing populations beyond single-students.

Identifying additional buildings to decommission requires additional financial analysis, facilities condition considerations, strategic alignment with the gap analysis, and consideration of institutional priorities and campus culture.



Live-On Requirement Evaluation

PBA personnel indicated that current housing capacity limits strict adherence to the live-on requirement. With the development of the Project, the University will need to minimize policy exemptions and shift culture and expectations of adhering to the policy. Further, Scion strongly suggests conducting further demographic analysis of current and likely future students, to refine the actual potential increase in on-campus residents.





Current Conditions

Institutional Overview

Palm Beach Atlantic is a private, comprehensive, interdenominational Christian University located in West Palm Beach, Florida. PBA, founded in 1968, stemmed from a local Baptist church. The University's mission statement is:

"Palm Beach Atlantic University equips students to grow in wisdom, lead with conviction and serve God boldly."

PBA offers a diverse range of undergraduate and graduate programs through its various schools. The University is characterized by its commitment to a Christian worldview and academic excellence. It offers programs in fields such as business, education, health sciences, arts and sciences, and more.

PBA's 101-acre campus is comprised of the:

- Main Campus approximately 20 acres comprising 25 buildings
- Rinker Athletic Campus approximately 76 acres located roughly two miles southwest of the Main Campus

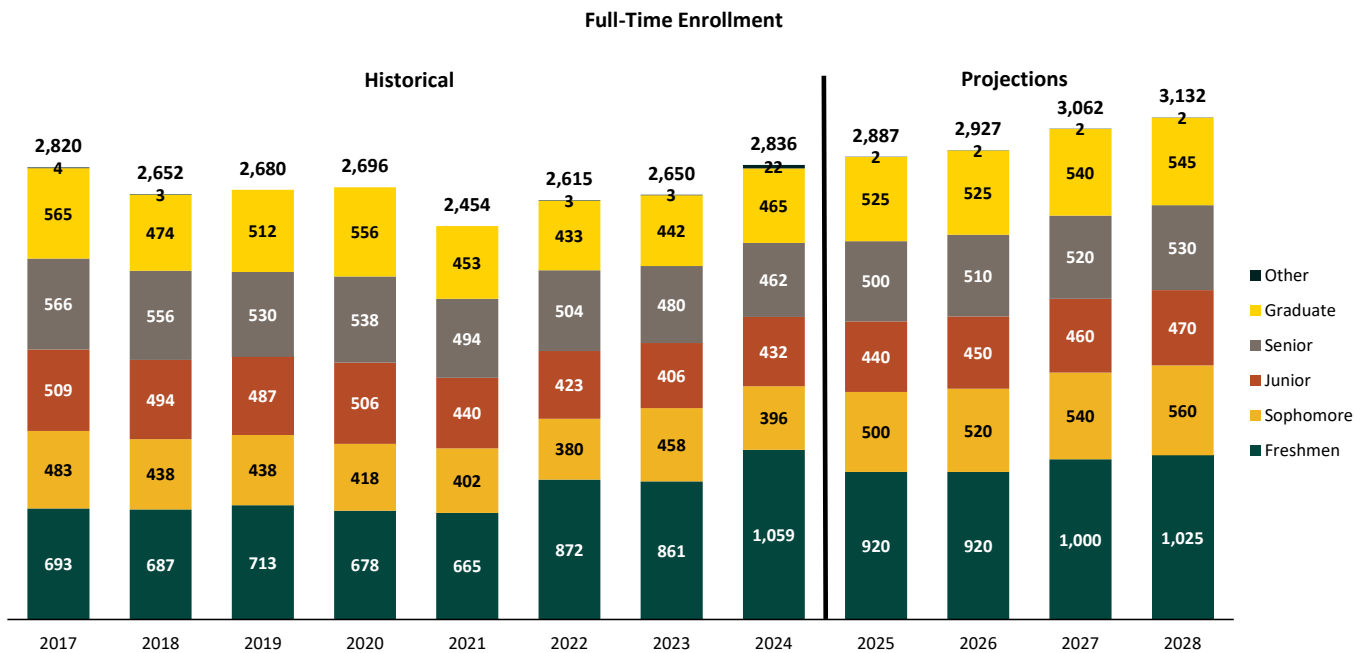


Enrollment Trends

When examining housing demand, the primary focus is full-time, on-campus enrollment, as these students are required to live on campus.

PBA’s full-time enrollment is on an upward trajectory, with a 7.0% year-over-year increase and the largest freshman class in school history in Fall 2024. Per PBA’s projections, this momentum is expected to continue, driven by effective recruitment and retention strategies. As enrollment expands toward the 3,900-student goal, the need for on-campus housing will remain critical in supporting student success and retention.

Fall 2024 full-time enrollment reached 2,836, reflecting a 7.0% year-over-year increase. Before this, full-time enrollment remained stable at approximately 2,600 students from 2017 to 2019, followed by a notable dip in 2020 due to COVID-19 disruptions. Despite this decline, enrollment has rebounded, culminating in the largest incoming freshman class in the school's history (1,059 students) in Fall 2024. Notably, the freshman class exceeded projected enrollment forecasts, highlighting PBA’s effective recruitment and retention strategies, which are successfully driving enrollment growth.



Enrollment and Housing History and Trends

PBA has experienced a surge in applications, admits, and deposits, leading to record-breaking incoming classes. With this upward enrollment trend expected to continue, demand for on-campus housing will grow. Limited housing capacity has already impacted recruitment and retention, highlighting the need for strategic housing solutions to support future enrollment growth.

PBA Historical Enrollment Strategy

The enrollment growth seen on the previous page is the result of intentional strategy and structural changes. In Summer 2021, PBA reorganized its Admissions and Financial Aid offices into a new Enrollment Management division, enhancing its approach to student recruitment. This shift introduced targeted outreach to high school sophomores and juniors, the removal of application and visitation fees, and a stronger emphasis on community values and Christian commitment. These efforts have paid off, leading to the largest entering traditional undergraduate classes in PBA's history for Fall 2022, Fall 2023, and now Fall 2024, with over 50% of students coming from out of state. The following table illustrates the University's admissions and enrollment funnel.

TUG (FR + TR)	Year End 2020	Year End 2021	Year End 2022	Year End 2023	Year End 2024
Applications Started	5,668	6,124	10,494	13,210	15,296
Completed Applications	1,811	2,023	6,968	7,949	11,206
Admits	1,706	1,836	6,490	7,365	9,131
Deposits	681	707	844	852	956

TUG (FR + TR)	2020	2021	2022	2023	2024
Applications Started	4,542	6,095	8,943	11,591	15,296
Completed Applications	1,820	2,243	6,709	7,641	11,206
Admits	1,644	1,980	6,270	7,069	9,131
Deposits	585	573	859	838	956
Admit Rate	90.30%	88.30%	93.50%	92.50%	81.50%
App Completion Rate	40.10%	36.80%	75.00%	65.90%	86.80%

PBA Historical Housing Factors

Historically, PBA required all undergraduates to live on campus unless certain exemption criteria was met. As enrollment grew, increased housing demand followed, but the University did not have the housing capacity to accommodate the growth. In response, PBA implemented the following:

- eliminated on-campus housing for graduate students
- restricted commuters from opting into on-campus housing, and
- reduced the age requirement to move off campus
- acquired additional nearby properties.

Despite these measures, PBA believes the limited housing capacity has negatively impacted freshman retention and new student recruitment, with a housing waitlist curbing yield and the number of matriculants. The limited housing capacity has also impacted recruitment of new students, as a housing waitlist was put into place 2022, thus curbing yield and the number of matriculants.

Existing On-Campus Housing

PBA currently features 1,444 rentable beds in traditional, suites, and apartment-style configurations. With the opening of the Project, PBA plans to decommission four buildings (217 beds) and discontinue master lease contracts (126 beds).

As of fall 2024, PBA has eight on-campus housing communities offering a range of capacities and unit types. In addition, the university owns Malverne Apartments, located about 1.5 miles south of campus, and master leases 126 beds at Tortoise One Apartments, Southern Bridge Apartments, and Arkona Apartments. Note, the number of master leased beds fluctuates year-to-year based on needs. In fall 2025, PBA has indicated they plan to offer 206 master leased beds.

Community	Year Built	Renovation Year	Design Capacity	Permanent Change (+/-)	Available Beds	Non-Revenue Beds	Number of Rentable Beds
Weyenberg Hall	1960		52	0	52	0	52
Oceanview Hall	2002		212	-4	208	4	204
Johnson Hall	1989	2023	128	-5	123	4	119
Rinker Hall	1984	2017	138	-4	134	4	130
Baxter Hall	1995		244	16	260	4	256
Watson Hall	2020		502	0	502	8	494
Pembroke	1968	2009	20	0	20	0	20
Coastal Towers	1968	2014	136	-3	133	2	131
Malverne Apartments	2015		12	0	12	1	11
PBA Housing Portfolio Total			1,444	0	1,444	27	1,417
Master Leased Beds			126	0	126	0	126
Housing Portfolio + Master Leased Beds			1,570	0	1,570	27	1,543

Prior to the opening of the Project, the housing portfolio will have the following changes:

- Decommissioning Pembroke, Weyenberg, Coastal Towers, and Malverne Apartments (total of 217 beds).
- Expiration and non-renewal of all master leased contracts.

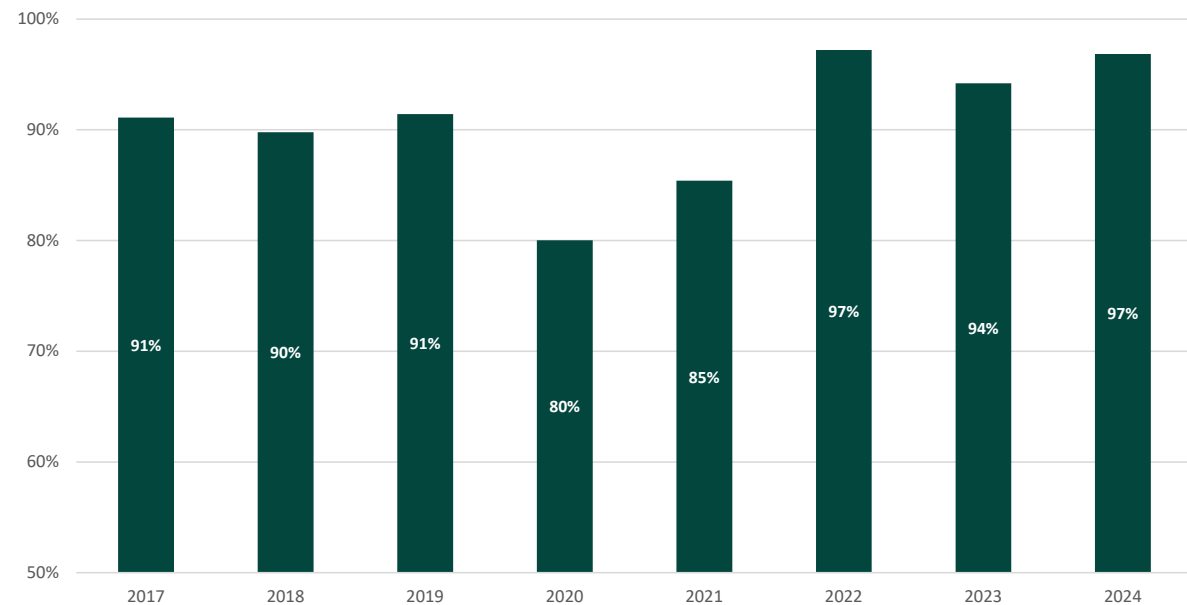
On-Campus Housing Occupancy

With small pockets of vacancies across buildings, strategic bed allocation—especially with Project opening in Fall 2027—could help optimize occupancy and better balance demand across the portfolio.

Current Conditions

Housing occupancy has fluctuated over the past seven years, reaching a peak of 97% in 2022 and 2024, and dropping to a low of 80% in fall 2020 during the COVID-19 pandemic. Despite these variations, occupancy has remained high post pandemic – with an average of approximately 96%. Further, housing personnel report having a moderate (between ~75 and 200) waiting list the past several years.

Historical Housing Occupancy



The most recent (fall 2024) occupancy is 97%, with small vacancies distributed across the housing portfolio rather than concentrated in specific buildings. Note, the occupancy figures reported above exclude master-leased beds.

Dining Services, Growth & Affordability

PBA's dining program is operating at full capacity, and demand continues to rise. The proposed dining hall is more than a feature in the Project—it will allow University to support the anticipated enrollment growth. Adding a second dining hall will help alleviate congestion, expand dining options, and enhancing the overall student experience.

With all students required to have meal plans, dining revenue provides a predictable funding stream.

At PBA, all residential students must participate in a meal plan, and as of Fall 2023, commuter students are also required to have one. This change, along with increasing enrollment, has driven significant growth in meal plan participation, which has increased 114% since 2018.

The primary dining facility, Fraser Dining Hall, seats 240 students, but meal service regularly serves up to 600 students during lunch and 1,000 during dinner, creating capacity challenges and long wait times. To address this, PBA has introduced:

- Flex Dollars: allowing students to use meal plan funds at retail dining locations
- A meal exchange program: shifting some demand from Fraser Dining Hall to Chick-fil-A
- Quick-serve options including Starbucks, Jack's Market, and Field of Greens to provide alternative dining choices.

Even with these efforts, meal demand has and will likely continue to grow, straining existing dining facilities. To alleviate congestion and improve service, PBA plans to construct a second dining hall to be included in the Project. The dining hall component of the Project will feature:

- Expanded kitchen and serving areas
- Modern technology
- On-demand and made-to-order meal stations
- Enhanced catering capabilities to better support student needs.

Along with increasing capacity, affordability remains a priority for PBA. Meal plans are structured to provide cost-effective options while ensuring students have access to diverse and high-quality dining choices. Flexibility in meal plan structures allows students to manage costs effectively while still participating in campus dining.



Parking At Capacity and Expected to Grow

PBA's parking system is over capacity, and demand continues to rise. Without additional parking solutions, congestion will remain a challenge for students and staff. The new structured parking facility will increase availability, reduce PBA's reliance on costly leased spaces, and improve the overall campus experience.

Parking at PBA is operating over capacity, with high demand from students, faculty, and staff. The University manages parking through decal-based permits, staggered class scheduling, and off-campus leased parking, but these measures have not fully addressed the strain on available spaces.

For the 2024-2025 academic year, PBA has a total parking inventory of 1,799 spaces, including:

- 810 on-campus spaces,
- 408 off-campus spaces owned by PBA, and
- 494 off-campus leased spaces, costing the University approximately \$300,000 annually.

Despite these efforts, parking congestion remains a challenge, especially as enrollment grows. To manage demand, PBA has already:

- Restricted parking for first-year students,
- Eliminated parking for private contractors, and
- Adjusted faculty/staff parking policies.

How the Project Improves Parking Challenges

The proposed Project will introduce a multi-level structured parking facility designed to:

- Increase overall parking capacity, reducing reliance on leased off-campus spaces.
- Improve accessibility and convenience for students living on campus.
- Help reduce commuter congestion, as the Project's additional housing beds will allow more students to live on campus rather than commute.





Off-Campus Market Analysis

Off-Campus Market Analysis

While the multifamily rental market is student-friendly and accommodates PBA students, the market has a sizable non-student demographic to which it caters. There is no purpose-built student housing (“PBSH”) off campus. This means the only option PBA students have for a by-the-bed lease option is on campus.

For this analysis, Scion considered housing options within eight miles of campus, most within the City of West Palm Beach. The multifamily properties in the area consist of a mix of low-, mid-, and high-rise communities. The following presents the number of each property type incorporated into this analysis.

Conventional

30 Conventional apartment complexes with 8,699 units



8,699
Units

Shadow Market

The 24 properties represent various floorplans, sizes, and configurations available; and include apartments, townhomes, and single-family homes.¹



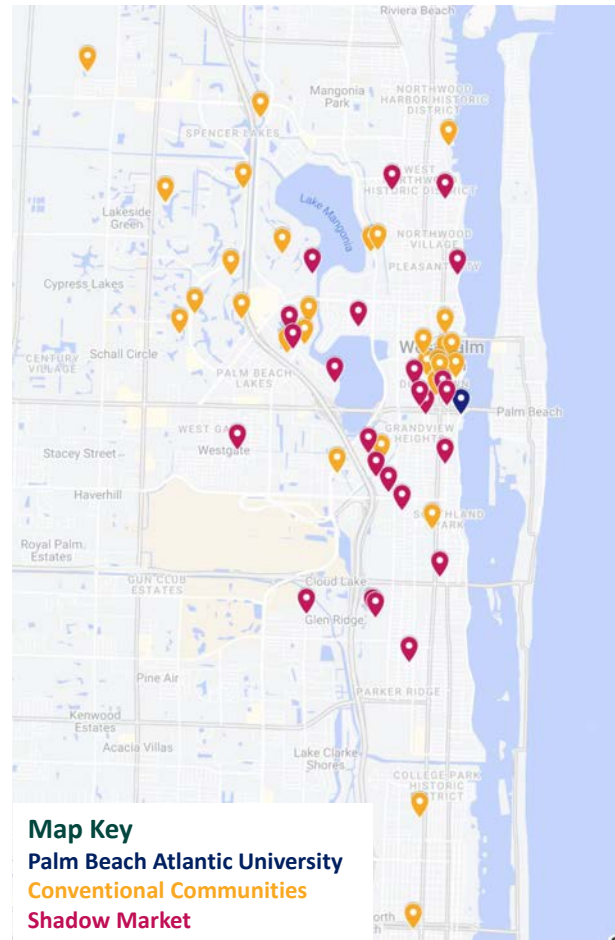
24
Properties

¹ Shadow market properties include apartments, townhomes, and single-family housing currently available for private rental.

Off-Campus Market Map

The key multifamily market factors indicate a steady market including high occupancy and gradual rent growth the past year.

The location of the properties surveyed is presented on the map to the right. A list of the specific off-campus properties can be referenced in [Appendix B](#).



Market Dynamics

Multifamily occupancy across the market is stable year over year. Among the properties surveyed, average occupancy is currently 97.2%. The average rent in West Palm Beach, FL is \$2,063 as of February 2025, compared to \$1,972 in April 2024. Concessions have significantly increased year-over-year with 11 communities currently offering move-in specials (versus seven previously).

The conventional market offers studio, one, two, and three-bedroom floor plans while the shadow market offers one through four-bedrooms.

Lease Terms

The market offers a variety of lease terms ranging from one to 18 months, with the 12-month lease option providing the most competitive pricing. Security deposits are \$400 to one month rent, application fees range from \$65 to \$150, and administrative fees are \$175 to \$400.

Multifamily Pipeline

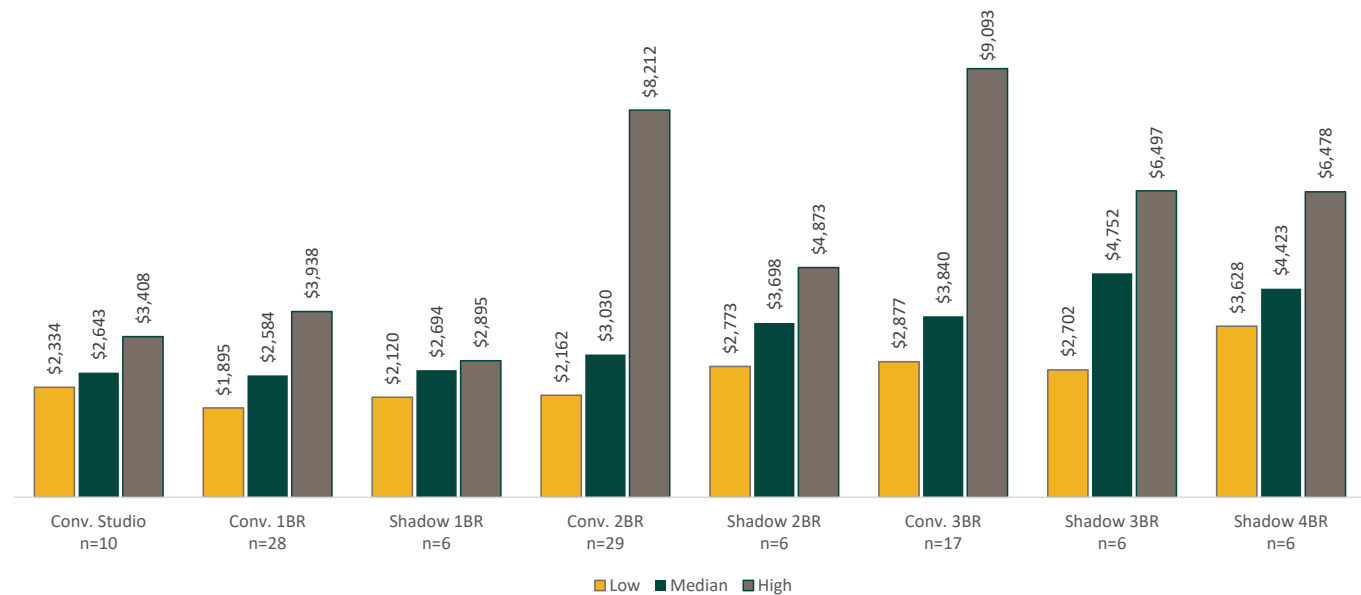
There are a few luxury multifamily developments planned in the local market; however, due to either location or product type, they are not considered direct competition to the Project. The list of properties may be referenced [here](#).

Current Rental Rates: By Unit

Many off-campus housing options are either unaffordable for students or require shared occupancy within a unit or bedroom. This issue may worsen if rents in West Palm Beach continue to rise, as they have in recent years.

Note that this data is presented on a per-unit basis and includes an adjustment that accounts for average utility costs not included in the base rent.

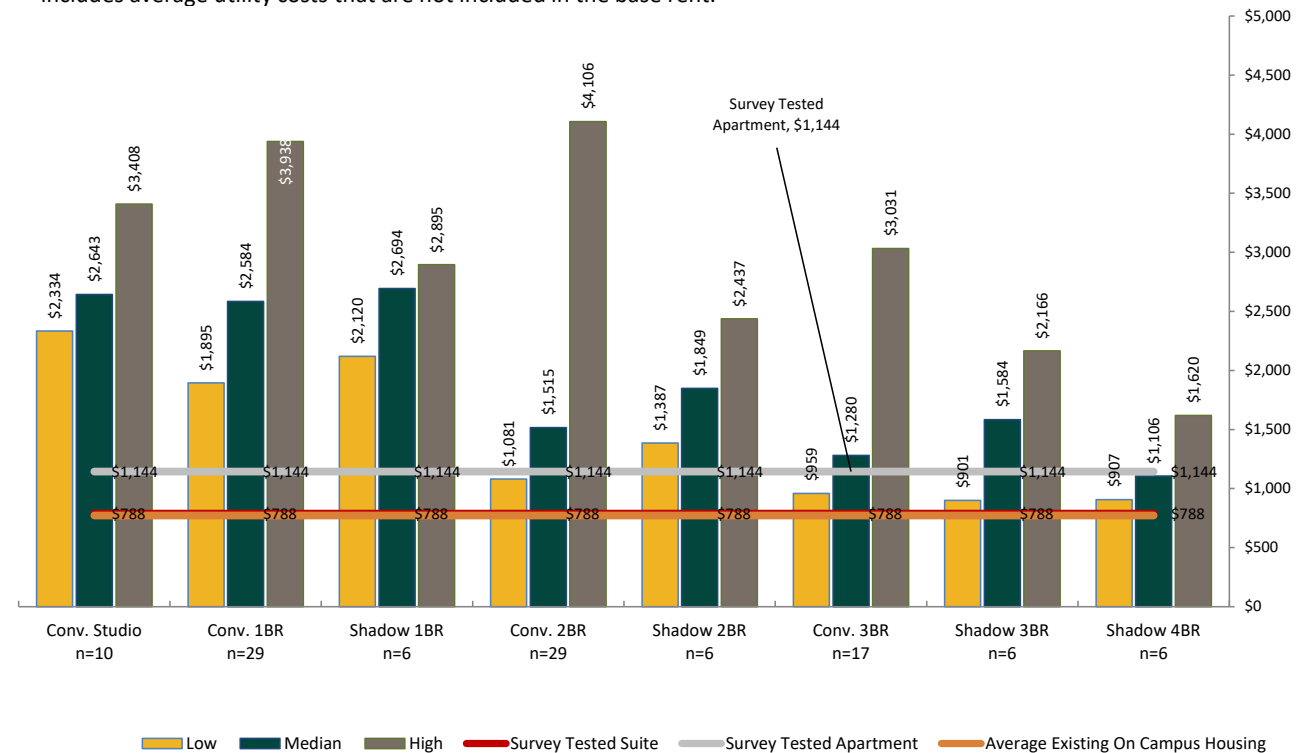
Market Rents by Unit Configuration – February 2025



Current Rental Rates: By Bed

On an “all-in” basis, the one-bedroom conventional unit is the most expensive unit available. The most affordable beds are found in the three and four-bedroom floor plans. When compared with the same sample in 2024, rents in 2025 have shown modest gains.

This sample includes all the communities and properties from the previous chart but is broken down to a per-person/per-bed cost and includes average utility costs that are not included in the base rent.



West Palm Beach: The Rise of "Wall Street South"

West Palm Beach's rise as "Wall Street South" is driving job growth, economic expansion, and a surge in luxury housing development. The influx of high-net-worth professionals is pushing home prices and rents higher, raising affordability concerns. As the city evolves into a financial hub, balancing growth with sustainable housing solutions will be key.

West Palm Beach: Emerging as "Wall Street South"

West Palm Beach, Florida, has earned the nickname "Wall Street South" due to a significant influx of financial firms and institutions from New York City. This migration has transformed the local economy, creating jobs in finance, venture capital, and investment banking.

The Business Development Board of Palm Beach County has actively worked to attract financial firms to the area, leading to a noticeable shift in the city's economic and real estate landscape. Several high-profile companies, including Goldman Sachs, New Day USA, Siris Capital, and Focus Financial, have established offices in West Palm Beach, further reinforcing its position as a growing financial hub. This economic expansion has fueled job growth and boosted the local economy, while also driving demand for high-end residential developments. As a result, West Palm Beach has become a prime destination for luxury real estate, with some apartments selling for as much as \$25 million.

Residential Development Boom in West Palm Beach

In response to increased demand, West Palm Beach has experienced a surge in residential development, with a mix of luxury towers, townhouses, and new neighborhoods. Notable recent and planned developments include:

- **Luxury Towers:** High-end condominium towers featuring penthouses and premium amenities.
- **Townhouses:** Smaller-scale townhouse developments catering to urban professionals.
- **Nora District:** A newly planned neighborhood in the historic Nora district, featuring restaurants, fitness centers, office space, and a hotel.
- **Alba Reserve:** A luxury condominium project adjacent to Alba Palm Beach.
- **BGI and Blue Road:** Another planned high-end condominium development.
- This development boom is largely driven by an influx of buyers from the financial and banking industries, drawn to West Palm Beach for its favorable business climate, high quality of life, and expanding economic opportunities.



IV

Peer Institution Analysis

Peer Institution Overview

This analysis provides a competitive context to help provide PBA with a greater understanding of how the University compares to its peers. Unless otherwise stated, all Peer Institution data is Academic Year 2024-2025.

Scion compared on-campus housing available at PBA to on-campus housing available at peer institutions as identified by the University. Research included reviewing unit types, housing rates, enrollment, tuition, and fees.

Institution	Institution Type	Campus Location	Campus Setting	Total Enrollment	Total Number of On-Campus Beds	% of Students each Institution can Accommodate
Palm Beach Atlantic University	4 year, Private	West Palm Beach, FL	City: Midsize	2,842	1,444	50.8%
University of Tampa	4 year, Private	Tampa, FL	City: Large	11,429	4,852	42.5%
Southeastern University	4 year, Private	Lakeland, FL	City: Midsize	6,852	1,791	26.1%
Samford University	4 year, Private	Birmingham, AL (Homewood, AL)	Suburb: Large	6,101	1,840	30.2%
Lynn University	5 year, Private	Boca Raton, Florida	City: Small	3,520	1,500	42.6%
Liberty University	4 year, Private	Lynchburg, VA	City: Small	16,131	8,000	49.6%
Average				8,807	3,597	38.2%

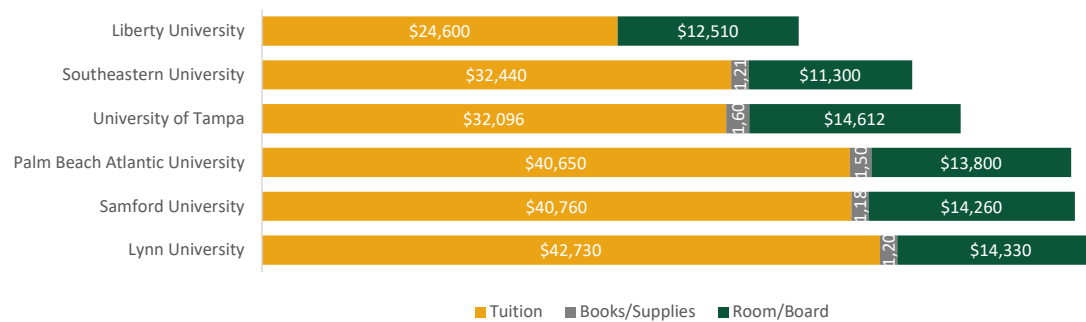
Peer Institutions Cost of Attendance

PBA's cost of attendance is competitive within its peer group but remains a key factor influencing student enrollment decisions. Tuition is on the higher end, and room and board costs exceed those at more affordable institutions. Ensuring that housing options remain attractive and financially accessible will be critical to maintaining competitiveness and supporting student recruitment and retention.

Peer Institution Analysis

PBA's cost of attendance is positioned in the middle of its peer group. At \$55,636 per year, it falls between the higher-cost institutions, Lynn University and Samford University, and the more affordable options, including University of Tampa, Southeastern University, and Liberty University.

Cost of Attendance Comparison per Academic Year



Housing rates vary by unit type, with traditional-style housing priced above the peer average, while semi-suite and suite-style options are more in line with competitors. PBA also offers apartment-style housing – the only other institutions with this offering is Lynn University and Liberty University.

Institution	Traditional Dble/Triple	Semi-Suite Single	Semi-Suite Dble/Triple	Suite Single	Suite Double	Studio Apt Single	Studio Apt Double	1BR Apt Double	2BR Apt Single	2BR Apt Double	3BR Apt Double	4BR Apt Single	4-5BR Apt Double
Palm Beach Atlantic University	-	-	\$3,625	-	\$3,625	-	\$4,300	\$4,890	-	\$5,063	\$4,300	-	-
University of Tampa	\$3,174	\$5,169	\$3,407	\$5,663	-	-	-	-	-	-	-	-	-
Southeastern University	\$2,800	-	\$3,200	-	\$3,400	-	-	-	-	-	-	-	-
Samford University	\$3,475	-	\$3,475	-	\$3,885	-	-	-	-	-	-	-	-
Lynn University	\$3,573	\$5,325	\$4,103	\$6,058	\$5,508	\$8,050	-	-	\$7,288	-	-	\$6,665	-
Liberty University	\$3,455	-	\$3,550	-	-	-	-	-	-	-	\$4,010	-	\$4,010
Peers Min	\$2,800	\$5,169	\$3,200	\$5,663	\$3,400	\$8,050	-	-	\$7,288	-	\$4,010	\$6,665	\$4,010
Peers Average	\$3,295	\$5,247	\$3,547	\$5,861	\$4,264	\$8,050	-	-	\$7,288	-	\$4,010	\$6,665	\$4,010
Peers Max	\$3,573	\$5,325	\$4,103	\$6,058	\$5,508	\$8,050	-	-	\$7,288	-	\$4,010	\$6,665	\$4,010

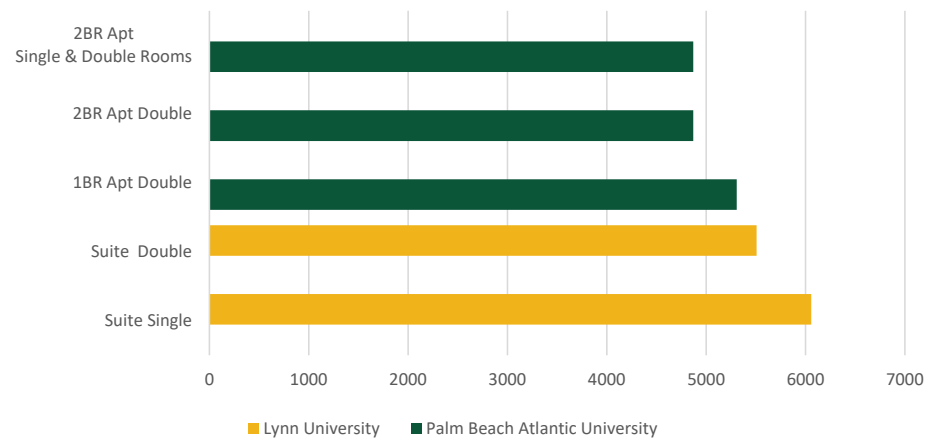
*Average rates are used for comparison in cases where there are multiple rates offered for similar unit types.

Project Price Benchmarking: Lynn University

The Project is positioned as a competitively priced housing option compared to peer institutions in the region. While still a premium offering, The Project's apartment-style units with in-unit kitchens are priced more favorably than Lynn University's suite-style units, which do not include full kitchens.

Lynn University provides a valuable comparison for the Project, as both institutions operate within Palm Beach County. Additionally, Lynn is currently developing Banyan Hall, a new suite-style residence hall set to open in 2025. Analyzing pricing between the Project and Banyan Hall offers insight into competitive market rates and affordability. While the Project will provide apartment-style housing, featuring in-unit kitchens, Banyan Hall will offer suite-style units without full kitchens. Despite these differences, the Project is priced lower, highlighting its value proposition. The following chart presents a comparison of price by unit type. Note that view premiums are not included in this comparison.

Lynn University Banyan versus the Project
AY 2024-2025 \$ - Per Semester



Key Takeaways:

- **Affordability:** the Project's apartment-style units are priced lower than Lynn's suite-style units, despite offering in-unit kitchens.
- **Unit Comparison:** Lynn's Suite Double rate is \$5,508, whereas the Project's 2BR Apartment Double is \$4,871—a more cost-effective option.

Peer Institutions

The goal of PBA to house students all four years aligned with what is observed with among its peers.

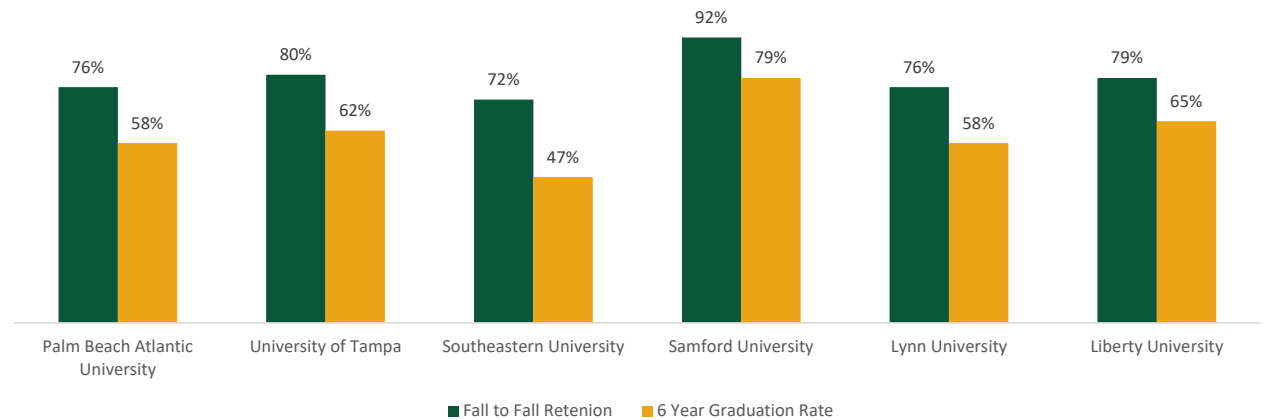
Peer Institution Analysis

PBA currently houses students 21 and younger on campus but has the desire to house students all four years. The following table presents the live-on requirements at the peer institutions.

Living Requirement	Palm Beach Atlantic University	University of Tampa	Southeastern University	Samford University	Lynn University	Liberty University
Freshman	Yes	Yes	Yes	Yes	Yes	Yes
Sophomore	Yes	Yes	Yes	Yes	Yes	Yes

Retention and graduation rates are aligned with Lynn University, positioned in the bottom half of the peers. Samford University has the highest, with Southeastern having the lowest. Graduation

Retention & Graduation Rates





Summary of Qualitative Feedback and Survey Results

Student Survey Respondent Profile

Scion administered an online survey that was distributed to 3,094 current PBA students – open from March 24 to April 11, 2024 when the original demand study was conducted. The survey received 700 responses, a 23% response rate with a $\pm 3.26\%$ margin of error. The following pages present the results for the student survey.

Summary of Qualitative Feedback and Survey Results

The below summarizes the demographics and living situations of the survey respondents, which will contextualize the survey results.

Class Level

- Freshmen: 23%
- Sophomores: 24%
- Juniors: 8%
- Senior: 12%
- Other (non-degree, high school dual enrolled, certificate, etc.): 0.4%
- Graduate/professional students: 12%

Attendance

- Full-time attendance: 98%
- Part-time attendance: 2%
- Other: 0.3%

Living Situation

- On-campus housing: 64%
- Renting: 14%
- Living with parents for free: 10%
- Living with parents, contributing: 7%
- Own home: 3%
- Stable housing/not in other types: 1%
- Housing insecure: 1%

PBA Residences

- Watson Hall: 40%
- Oceanview Hall: 13%
- Baxter Hall: 13%
- Johnson Hall: 12%
- Coastal Towers: 10%
- Rinker Hall: 8%
- Weyenberg Hall: 4%
- Pembroke Hall: 1%

Age

- Age 17 or younger: 0.3%
- Age 18–20: 60%
- Age 21: 18%
- Age 22–24: 12%
- Age 25–29: 5%
- Age 30–34: 2%
- Age 35–39: 1%
- Age 40–49: 1%
- Age 50 or older: 1%

Other Groups

- Eligible for Pell Grants: 20%
- Live within 25 miles of PBA: 18%
- First-generation: 18%
- Transfer: 16%
- Intercollegiate athlete: 7%
- Resident Assistant (RA): 7%
- International: 5%
- Veteran/active/reserve: 2%
- Online only: 1%
- Former/current Foster Youth: 0.4%
- None of the above: 35%

Family

- Live with spouse/partner: 14%
- Live with other relatives/dependents they are responsible for: 7%
- Live with children/dependents under 18: 6%
- None live with children/dependents 18 and over
- None of the above: 77%

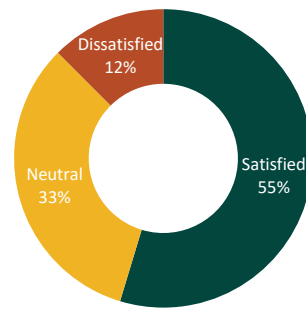
Satisfaction

Most PBA students are satisfied with their housing. Those who live on campus are slightly more satisfied on average than those who rent their housing off campus. On campus, satisfaction varies by hall, with Rinker and Baxter having below-average satisfaction.

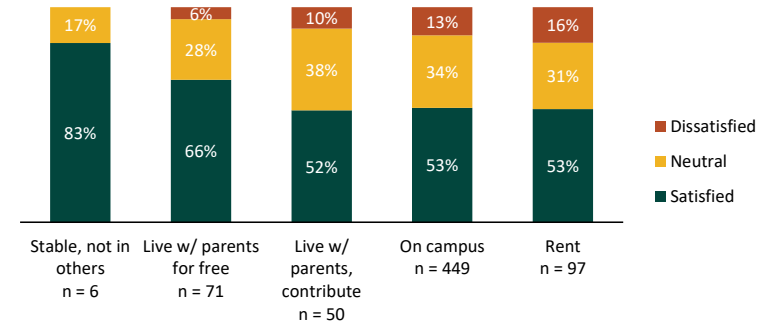
Summary of Qualitative Feedback and Survey Results

The following charts present satisfaction rates overall, by currently living situation, and by PBA housing options.

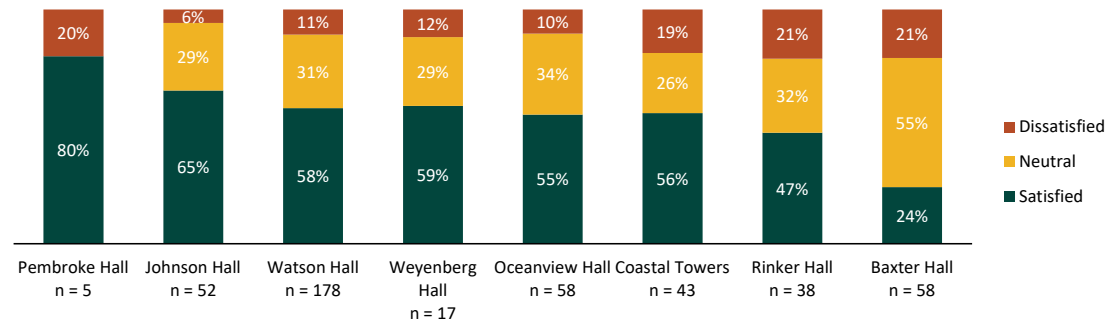
Overall Satisfaction



Satisfaction by Current Living Situation



Satisfaction by PBA Housing Option



Decision-Making Factors

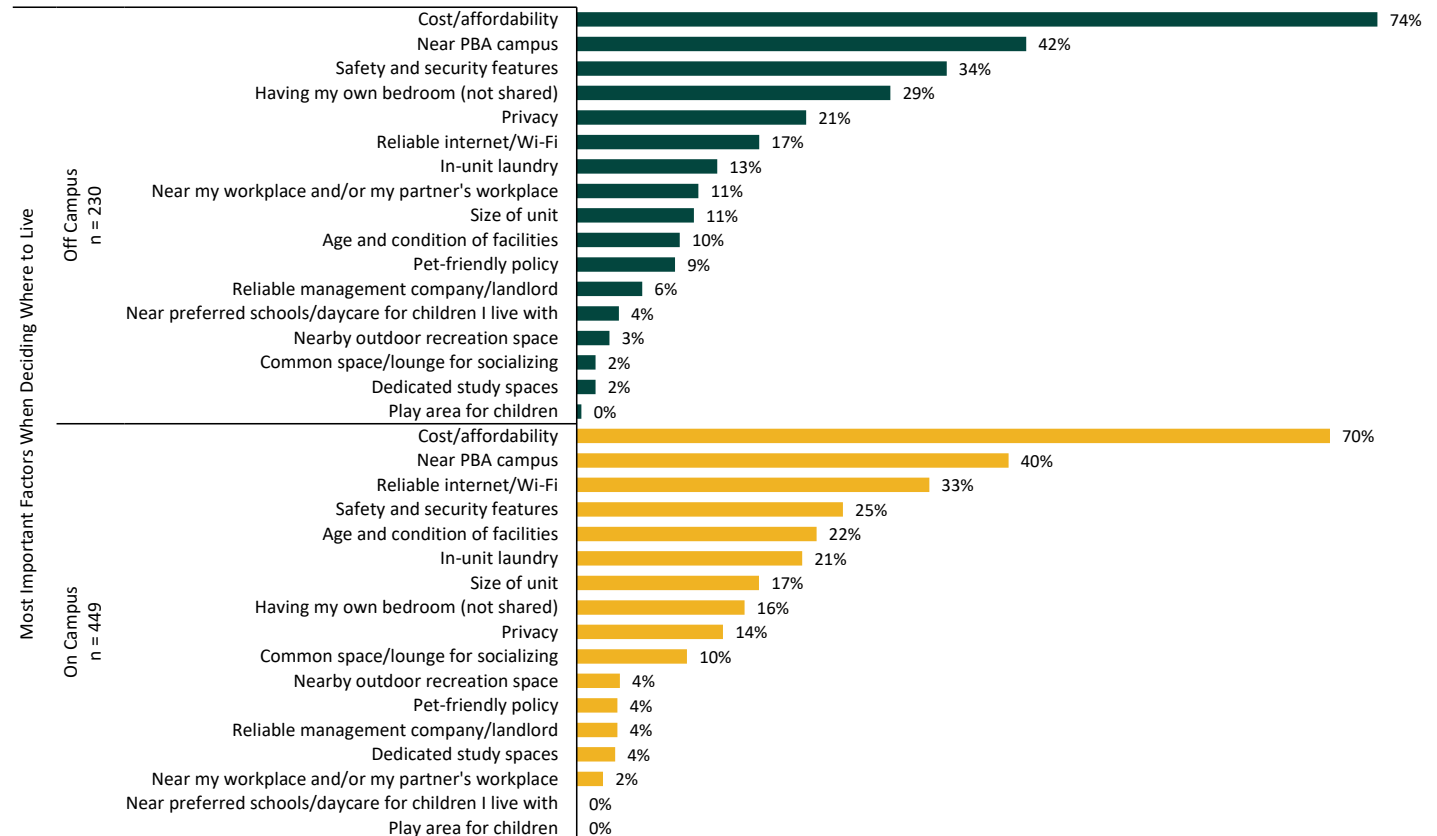
For individual and family students, cost/affordability was the most important factor when deciding where to live.

Compared to those in PBA housing, off-campus respondents expressed more interest in private bedrooms, safety and security, and a location near their work.

On-campus respondents expressed more interest in reliable internet, the age and condition of buildings, both of which will be addressed in the Project.

Summary of Qualitative Feedback and Survey Results

Overall, those who rent their housing consider its cost/affordability the most important factor in deciding where to live. Individual students also favor locations near campus, and safety and security. Few respondents selected attributes like childcare, play areas, being near schools/daycare, and dedicated study spaces.



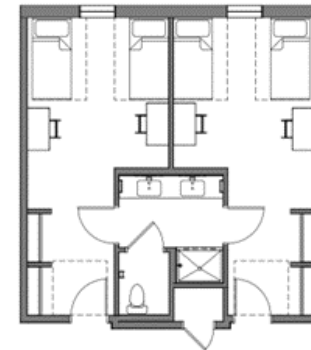
¹ Students were permitted to select up to three factors from a list of factors.

Survey Tested Units

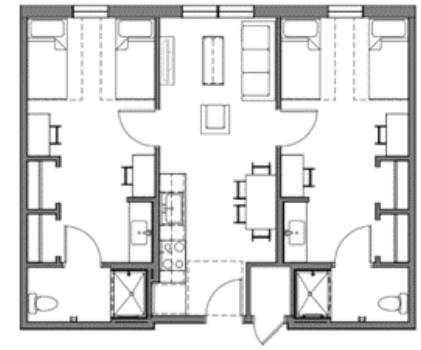
The survey showed new housing rates for each semester and with an academic-year (10-month) lease and a 12-month lease.

Existing housing only showed rates assuming academic-year leases.

The survey tested two new unit types. The quoted rental rates (provided by Gilbane), assume utilities, internet, and furniture are included. The survey showed floor plans, descriptions, and proposed rates for the new housing as well as current PBA housing rates. Students who did not express interest in any of the units at the higher Tier 1 rates due to cost, were asked if they would have been interested at reduced Tier 2 rates for the new housing.



Two-Bedroom Suite
Two shared bedrooms sharing one bathroom



Two-Bedroom Apartment
Two shared bedrooms sharing two bathrooms, living area, dining area and a full kitchen

Term	Per-Person Room Rates, Tier 1					
	New PBA Suite		New PBA Apartment		Existing PBA Res Halls	Existing PBA Apartments
	12-month	Academic year	12-month	Academic year	Academic year	Academic year
Fall	\$3,940	\$4,725	\$5,720	\$6,875	\$3,245–\$3,625	\$4,200–\$4,890
Spring	\$3,940	\$4,725	\$5,720	\$6,875	\$3,245–\$3,625	\$4,200–\$4,890
Summer	\$1,576	—	\$2,288	—	—	—
Total	\$9,456	\$9,450	\$13,728	\$13,750	\$6,490–\$7,250	\$8,400–\$9,780
<i>per month</i>	<i>\$788</i>	<i>\$945</i>	<i>\$1,144</i>	<i>\$1,375</i>	<i>\$649–\$725</i>	<i>\$840–\$978</i>

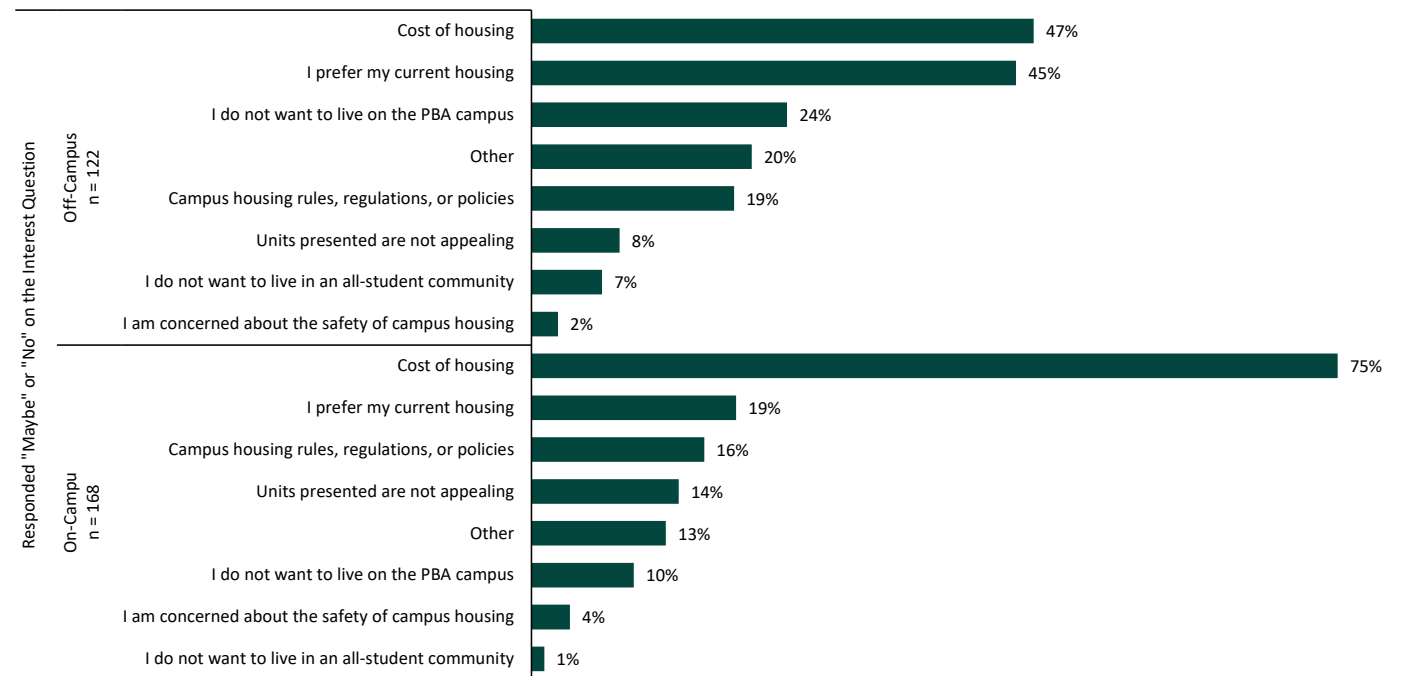
Term	Per-Person Room Rates, Tier 2			
	New PBA Suite		New PBA Apartment	
	12-month	Academic year	12-month	Academic year
Fall	\$3,545	\$4,255	\$5,150	\$6,190
Spring	\$3,545	\$4,255	\$5,150	\$6,190
Summer	\$1,420	—	\$2,060	—
Total	\$8,510	\$8,505	\$12,355	\$12,375
<i>per month</i>	<i>\$710</i>	<i>\$850</i>	<i>\$1,030</i>	<i>\$1,240</i>

Reasons for Disinterest

Respondents who were not interested most often selected “cost” as one of their reasons, with many also selecting “I prefer my current housing.”

Respondents who were not interested in the housing options were asked to identify the reasons for their disinterest. For both on- and off-campus respondents, the cost of the proposed housing was selected most often, with a preference for current housing also selected by almost as many off-campus respondents. For both groups, not wanting to live with only students and concerns about campus safety were reasons for disinterest selected by a relatively small percentage of students (1% to 7%).

Why would you not be interested in living in the unit types presented? Select all that apply

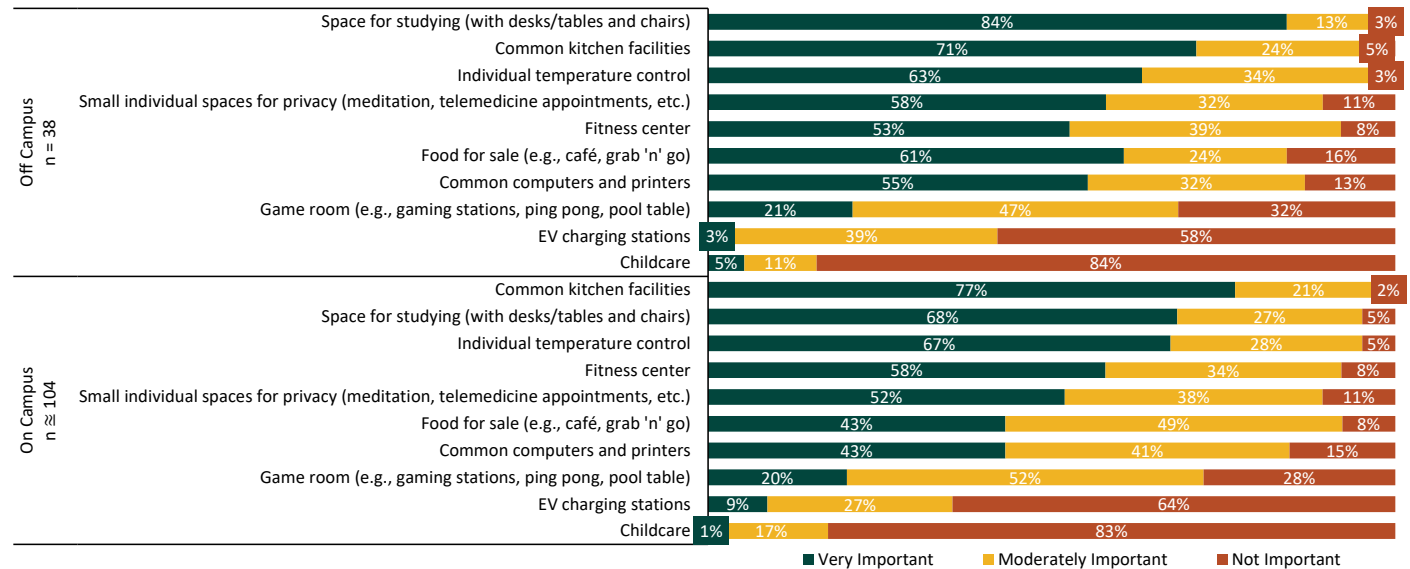


Other Preferences

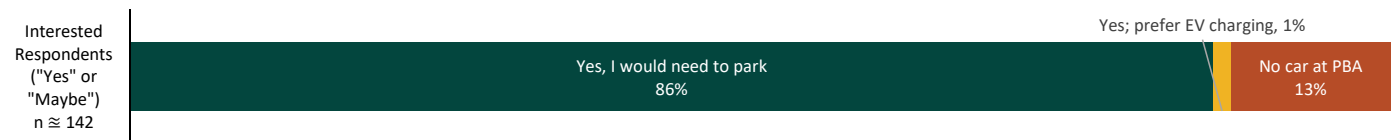
Most residents will want space for studying, individual temperature control, common kitchens, and parking.

Summary of Qualitative Feedback and Survey Results

The survey presented respondents interested in living in the Project with a list of features, asking them to rank the importance of each. Common kitchens and space for studying are the most important features of new housing. Individual temperature control and small individual spaces. Further student indicated a focus on having a fitness center, which will be included as a component of the Project.

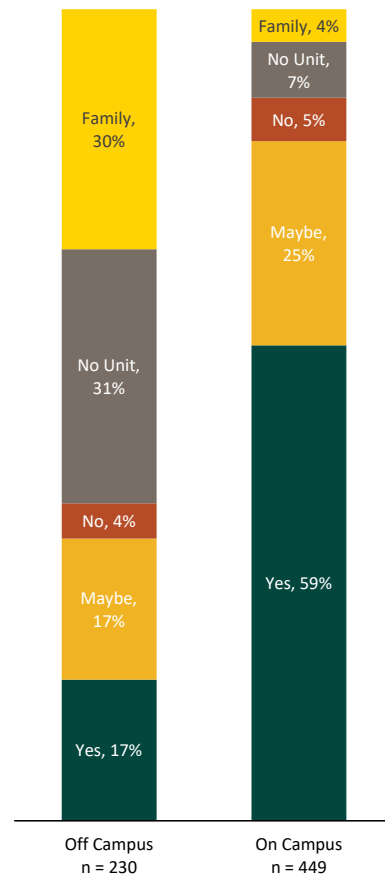


At least 86% of interested respondents would need to park if they lived on campus.



Interest and Unit Preference

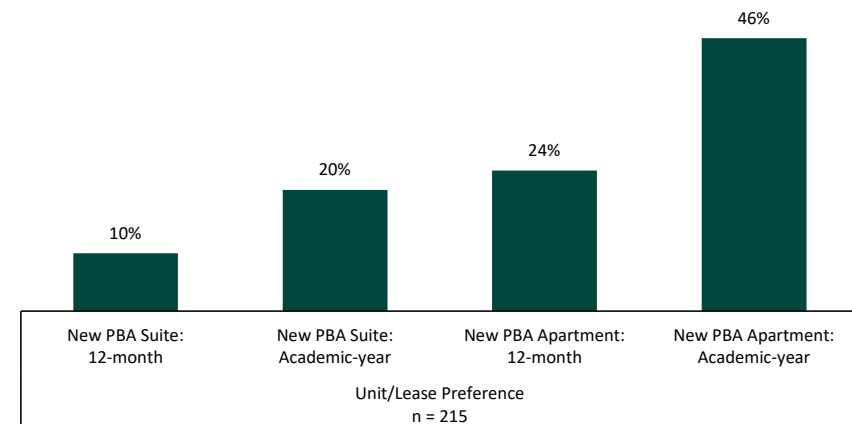
Respondents expressed their levels of interest in living in the Project if it had been available at the beginning of this semester. On-campus respondents showed much higher levels of interest than those currently living off-campus. Respondents most preferred apartments with academic-year leases.



Of those who live off campus, 30% would prefer to live with family and 31% would not live in any of the units presented. Roughly 17% said “Yes” they would have been interested and 17% said “Maybe.” (Scion discounts “Maybe” responses by 50% in calculating demand based on this interest question.)

With the same approach, 59% of on-campus respondents said “Yes” and 25% said “Maybe.”

Interested students preferred the apartment option, and preferred academic-year leases, despite both having higher costs.



VI

Demand and Gap Analysis

Demand Projections: Total Housing Portfolio

In Scenario 1, the increase in housing demand is not primarily due to a surge in enrollment, but rather to a demographic shift within the student body. Essentially, if the student body continues to diversify with more non-local, out-of-state, and international students, and sufficient new housing is added (coupled with taking beds offline), future demand would be higher than the anticipated inventory in 2027.

These figures also assume increased interest from local students who may be attracted to living in the Project or potentially interested in some of the existing housing that would have bed spaces become available.

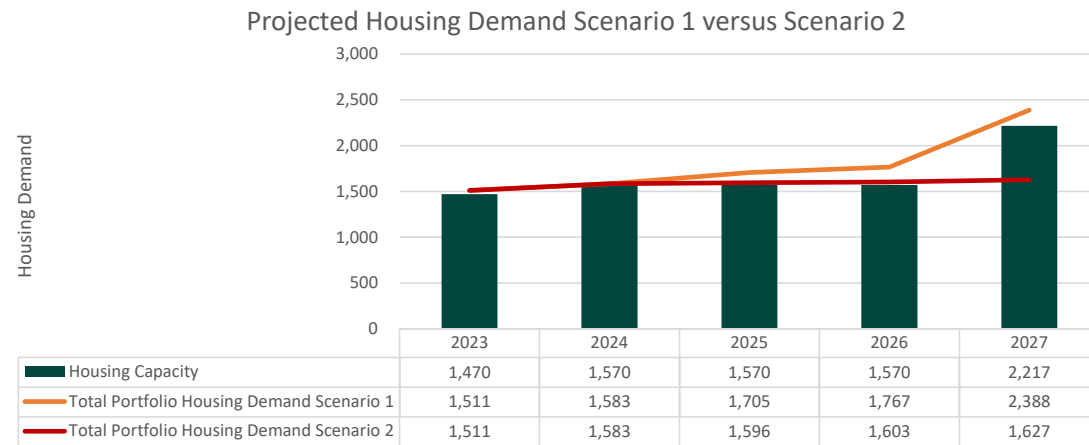
Demand and Gap Analysis

Scion began the demand analysis by calculating the current academic year's (2024–25) demand. While this analysis provided a demand snapshot, the University is experiencing success in growing its enrollment, including attracting more non-local students. As such, it is important to understand enrollment/housing trends and consider how it may change over time. Scion explores how this anticipated enrollment growth will impact housing demand in the future. PBA requested two enrollment growth scenarios:

Scenario 1) PBA projections assume strict enforcement of a four-year residency requirement for students 21 and under, current recruitment practices continue with more out-of-area students attending, and the construction of the Project (990 beds); and

Scenario 2) assumes no changes to the current housing stock and current recruitment practices continue.

The following chart and table present how housing demand would change should enrollment grow as projected in the scenarios. Note that it also includes anticipated changes in the existing housing stock (decommissioning of Pembroke, Weyenberg, Coastal Towers, and Malverne Apartments (217 beds in 2026) and the discontinuation of all master leases.



This chart has been updated to reflect **actual** Fall 2024 enrollment and housing occupancy in the calculation of Fall 2024 demand for both scenarios. From the original report, Fall 2024 demand increased by 73 beds over Fall 2023, which is 58 beds above prior Scenario 1 projections and 42 beds over prior Scenario 2 projections.

In Scenario 1 the impact of demographic shifts towards more out-of-area students and requiring students 21 and below to live on campus leads to a significant increase in total housing demand by 2027. The anticipated total housing demand is 2,388, a substantial increase from the Scenario 2 projection of 1,657 exceeds the projected housing capacity of 2,217. This indicates a potential shortfall in housing capacity if these demographic shifts occur as projected. Note that Scenario 1 assumes enrollment continues to grow and demographics shift (additional details on the assumptions of this scenario may be found in [Appendix F](#)).

Demand Considerations

PBA's enrollment forecasts, among other factors, indicate an anticipated increase in demand moving forward.

Positive Demand Indicators

In addition to the projected enrollment growth, PBA has several initiatives and plans that can assist in increasing the indicated demand. While exact figures are difficult to ascertain, the following factors will positively influence demand for the Project and the overall housing portfolio:

- Implementation of several new PBA programs (including PA, Pharmacy, and Master's of Nursing). Additionally, PBA indicated that the Ministry Leadership program may require 20 beds. While the roll-out of these projects is accounted for in the enrollment projections, the success of the proposed programs could accelerate enrollment growth.
- Students who live off campus but placed their names on PBA's housing waitlist support the need for additional housing on campus. Note: their desire to live on campus is reflected also reflected, previously presented.
- Demand benefits when new housing provides an opportunity for a seamless transition from year-to-year living on campus. Once students live independently off campus, their interest in living on campus again often wanes. The survey period late in the academic year captures their preference after they have become fully adjusted to an off-campus lifestyle.
- The Christ-centered education and campus location are unique and make PBA appealing to students from across the country. If the campus has more (and modern) housing available, it may further attract students increasing enrollment. This includes students from outside of the region who require housing.
- There are limited places to live off-campus at affordable prices. Further, with no PBSH in the market, on-campus housing is the only place students can find a student-focus, conveniently located, lease-by-the-bed option.

Demand Considerations

- The latest plans include only apartment-style units. While most students interested in The Project preferred apartments, approximately 30% favored suite-style units, which are typically more affordable. Among those who preferred suites, only about 30% indicated they would choose an apartment if suites were not available, though lower apartment rates may increase their willingness to do so.
- The latest pricing plans, adjusted for inflation, align well with survey-tested rates. Only 3% of proposed beds are priced significantly higher than tested rates, while most are approximately 8% lower. This pricing strategy helps offset the absence of lower-cost suite-style units and is expected to positively impact overall demand.

Project Demand AY 2024–2025

Based on the current population of PBA students, the new housing would be expected to attract about 498 residents, most of whom live in the existing housing. This is using fall 2024 figures and represents an increase of about 5% compared to Fall 2023 figures.

Demand and Gap Analysis

The above pages calculate demand for the overall housing portfolio and estimates anticipated changes. The following presents current demand specific to the Project. Is it important to understand that the following is demand as of today (using fall 2024 enrollment figures).

Scion starts with current enrollment headcounts, provided by the University. Next, Scion subtracts subpopulations such as part-time students, students who only attend classes online; students with spouses, partners, children, or dependents; and homeowners and divides the population into off-campus and on-campus subgroups. Scion then extrapolates interest from survey respondents to the remaining enrollment (the reasonably available market, or RAM). Additionally, a cost tolerance factor is applied to adjust the total demand, acknowledging that it is unrealistic to expect students to value on-campus living at more than a 20% premium over their current expenses.

Headcount	Description
3,438	Total Headcount, Fall 2024
(402)	Part-time students
(200)	Online-only students
2,836	Full-time students
(22)	"Other" students
(1,413)	PBA Housing Residents On-Campus
1,401	Full-time Off-Campus Residents (calculated)

PBA Housing Residents On-Campus	Full-time Off-Campus Residents	Description
1,413	1,401	Headcount, Fall 2024
–	(581)	Homeowners or live with spouse/children
1,413	820	"Reasonably Available Market"
(1,027)	(708)	Not interested or would require more than 20% premium over current off-campus housing costs
386	112	Demand

Total AY 2024–25 Project demand is 498 students, comprised of 386 students who currently live on campus and 112 students who live off campus. It is important to highlight that most demand stems from current on-campus residents, underscoring the need for a plan to fill the vacated on-campus beds. This also illustrates that while some students currently living off campus might never have left on-campus living, it is not an overwhelming figure. However, some of these students would be required to live on campus due to the extended live-on requirement.

Project Demand by Tier: AY 2024– 25

Survey data indicates a preference for apartment-style unit configurations. The unit-style preferences are similar for students living on campus and those living off campus. Similarly, there is minimal variation in unit type preference between Tier 1 and Tier 2 rental rates.

Demand and Gap Analysis

Scion also looked at current Project demand distributed by unit preference and rental rate tier, as presented in the survey.¹

Unit Preference	Tier 1 Rates							
	AY/10 mo	12-month	Off-Campus		On-Campus		Total	
			Preference	Count	Preference	Count	Preference	Count
New PBA Suite	\$945	\$788	38%	42	27%	104	29%	146
New PBA Apartment	\$1,375	\$1,144	62%	70	73%	282	71%	352
Subtotal New			100%	112	100%	386	100%	498

Unit Preference	Tier 2 Rates							
	AY/10 mo	12-month	Off-Campus		On-Campus		Total	
			Preference	Count	Preference	Count	Preference	Count
New PBA Suite	\$850	\$710	39%	56	28%	117	30%	173
New PBA Apartment	\$1,240	\$1,030	61%	89	73%	309	70%	397
Subtotal New			100%	144	100%	426	100%	570

Additional demand analysis may be referenced in [Appendix F](#).

¹ Data presented uses the AY 2023–24 survey response with updated AY 2024–25 enrollment and housing occupancy data. The methodology may understate apartment demand at Tier 2 rates since those who preferred suites at Tier 1 rates were not able to change to selecting apartments at lower rates.

Appendices

- A. Scion at a Glance
- B. Off-Campus Market Analysis Data
- C. Peer Institution Data



Appendix

A

Scion at a Glance



Scion at Glance



Our **only focus** since inception in 1999 has been **campus housing**



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Appendix

B

Off Campus Market Analysis Data

Property Type Distinctions and Features

Each type of housing has different features, amenities, and leasing nuances. The data presented to the right show key differences between the various housing options.

PBSH



- Lease by the Bed
- Typically includes furniture
- Utilities included
- Residence Life
- Campus Security
- Rent paid by Semester or Academic Year (for traditional and suite-style configurations)
- Typically, professionally managed

Conventional



- Lease by the Unit
- Not furnished
- Generally, apartment-style
- No residence life
- Rent paid monthly
- Utilities not included
- Can be professionally or privately managed

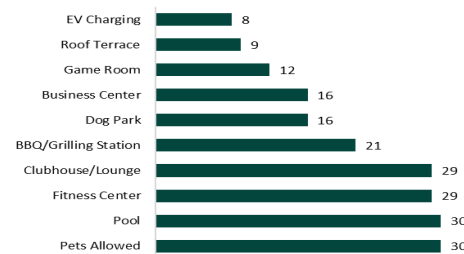
Shadow Market



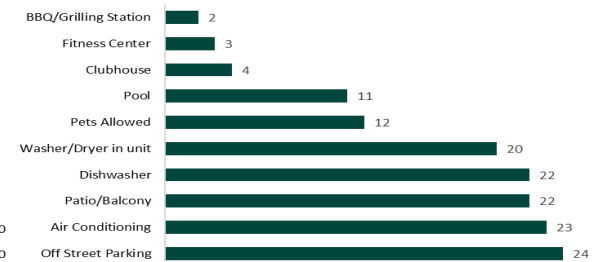
- Includes single-family homes, condos, cottages, guest houses, or rooms in private homes available for rent
- Rent paid monthly (unless special arrangements are made between tenant and owner)
- No Residence life
- Can be furnished or unfurnished

Features and Amenities

Conventional



Shadow



Overview

For this study, Scion's analysis included the following sample:

30 Conventional Market properties within eight miles of campus

24 Shadow Market listings located within five miles of campus

Scion examined housing options within eight miles of the Palm Beach Atlantic University's campus to determine the rental market conditions. Scion also reviewed a five-year history of building permits to gauge future development and understand multi-family permit activity.

Scion identified unit types in three distinct housing categories for this analysis: Conventional Market, Purpose-Built Student Housing, and Shadow Market. Conventional Market includes typical multi-family apartments leased by-the-unit. Purpose-Built Student Housing is typically off-campus apartment style housing that leases by the bed rather than by the unit. The Shadow Market includes single-family homes, privately owned apartments, condos, cottages, guest houses, or rooms in private homes available for rent. Scion did not include low-income or income-restricted properties in the sample. The sample of properties used in the analysis were identified through online research, focus group and stakeholder participants, and information collected from the online student survey.

Adjusted Monthly Rent

An adjusted monthly rate compares what may be available on campus to off-campus market rents. Scion's proprietary models adjust advertised per-unit rates by adding costs for utilities (electric, gas, water), cable television, and internet when not included in advertised rent. The adjusted rates are converted to "per-person" housing costs to have an "apples to apples" comparison of market-rate housing found in the off-campus analysis to proposed and current rates on campus.¹ In the following tables, the adjusted rates are in the "PPR w/ Util" columns.

Current Development Environment: Trends and Observations

The development environment has challenges that require creative solutions and are causing extended planning and development timeframes. While there are obstacles to overcome, there is still development activity as noted on the previous page.

When contemplating new development, it is essential to have a firm grasp of the current development landscape on and off campus. Here are some of the latest local and national development trends to keep in mind.



Land Availability/Land Cost – On and near campus, land is scarce. Conversations with University personnel indicate that most new projects require demolition, repurposing, or renovation. Projects that entail a land purchase result in a higher overall development cost as land scarcity puts upward pressure on land prices.



Until debt markets stabilize, yield expectations recede, or equity starts to make a bigger push into the market, it is likely there will continue to be fewer projects than in years past.



Market uncertainty and rising costs make development timing and program planning even more important in reducing long-term exposure.



P3 transactional volume slowed during the pandemic as schools and investors waited to see what the long-lasting effects on housing were going to be. It is evident that the residential experience is still critical to students' expectations; however, the Post-pandemic effect including the rising cost of borrowing and illiquidity in the investor markets have continued to challenge projects.



The lowest cost of capital for student housing can usually be secured with an institution's own borrowing capacity. However, as the cost of borrowing increases, Institutions are more likely to conserve this ability to use debt, in favor of academic and other core projects.



The current development market is considered challenging due to the cost of funding, material delays, and labor market availability. While limited new student housing is still being constructed, all involved parties must be flexible and expect modification/improvisation.

Conventional Market Sample Data

30 Conventional Market properties have been included in this sample. This chart outlines the age ranges of the communities included, in addition to the total unit counts.

Off-Campus Market Analysis

Apartment Community	Address	DTC	Year Built	# of Units
Anya Apartments	345 Banyan Boulevard	0.9	2023	223
Avalon West Palm Beach	333 Fern Street	0.6	2018	290
Azalea Village	4200 Community Drive	4.3	1987	384
Cameron Estates Apartments	1517 Cameron Samuel	3.5	2016	548
Casa Mara	3111 S. Dixie Highway	1.7	2020	300
City Palms	480 Hibiscus Street	0.4	2008	274
Cortland Portofino Place	4600 Portofino Way	6.2	2003	812
Cortland West Palm	290 Courtney Lakes Cir	3.2	2014	282
Icon Marina Village	4444 N. Flagler Drive	3.4	2022	399
Indigo West Palm Beach	1500 Centrepark Blvd.	2.2	2020	246
Inscription West Palm Beach	1991 Presidential Way	4.2	2024	191
Loftin Place	805 N. Olive Avenue	1.3	2015	259
Oversea @ Flagler Banyan Sq	290 N. Olive Avenue	1.2	2019	245
Parc500 Apartment Homes	500 N. Congress Ave.	4.0	1970	217
ParkLine Palm Beaches	591 Evernia Street	0.9	2018	290
Resia Mangonia Lake	2201 N. Australian Ave.	2.9	2019	240
Riverstone Palm Beach	195 River Grove Way	6.0	2022	374
Royal St. George	1441 Brandywine Road	3.8	1995	224
Sole at City Center	499 Evernia Street	0.7	2018	317
The Bohemian	101 SE Coast Street	6.5	2022	200
The Grand @ West Palm Beach	609 2nd Street	1.1	2023	309
The Landings at West Palm	5865 Caribbean Blvd.	7.9	1991	206
The MID	1601 N. Dixie Hwy	5.2	2020	240
The Point @ District Flats	1050 Blanche Street	1.5	2020	178
The Strand	255 Evernia Street	0.8	2002	282
The Whitney	410 Evernia Street	0.6	2007	210
Uptown 22	2210 N Australian Ave.	3.0	1997	252
Village Crossing	3101 Village Boulevard	5.4	1988	189
Village Place	2111 Brandywine Road	4.5	1986	202
Vue at 1400	1400 Village Boulevard	4.1	1990	316
Average age of sample size			2009	
Total unit count sampled				8,699

Conventional Market Rents - 2024

Adjusted Market Rates ¹

Unit Type	Minimum Per Person	Maximum Per Person	Median Per Person	n=2
Studio	\$2,309	\$3,318	\$2,624	10
1 BR	\$1,933	\$3,808	\$2,534	29
2 BR	\$1,162	\$2,418	\$1,514	29
3 BR	\$948	\$1,883	\$1,304	17

Notes:
Rents in this sample represent available advertised units and rents. Additional options may be available.
Italic font = median (used when three or more of similar unit types are offered at varying rents).
DTC: Distance to Campus (901 S Flagler Dr, West Palm Beach, FL 33401) using Google Maps.

Apartment Community	Address	DTC	Year Built	# of Units	March 2024 Occup	March 2024 Prelease	Lease Terms	Appl Fee	Admin Fee	Security Deposit	Studio				One Bedroom				Two Bedroom					Three Bedroom				
											Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.
Anya Apartments	345 Banyan Boulevard	0.9	2023	223		L U	8 to 15	\$ 150	\$ 350	1 month	\$2,438	551	\$4.42	\$2,757	\$3,463	721	\$4.80	\$3,808	\$4,412	1,135	\$3.89	2.0	\$2,418	\$4,631	1,534	\$3.02	2.0	\$1,711
											\$2,438	570	\$4.28	\$2,757	\$3,088	1071	\$2.88	\$3,433	\$3,970	1,248	\$3.18	2.0	\$2,197					
											\$2,598	561	\$4.63	\$2,917					\$4,056	1,320	\$3.07	2.0	\$2,240					
Avalon West Palm Beach	333 Fern Street	0.6	2018	290	96.6%	92.1%	1 to 18	\$ 100	\$ 400	\$ 500	\$1,990	566	\$3.52	\$2,309	\$2,755	835	\$3.30	\$3,100	\$2,810	938	\$3.00	1.0	\$1,617					
											\$2,109	573	\$3.68	\$2,428	\$3,088	1071	\$2.88	\$3,433	\$3,970	1,248	\$3.18	2.0	\$2,197					
											\$2,160	619	\$3.49	\$2,479					\$4,056	1,320	\$3.07	2.0	\$2,240					
											\$2,305	660	\$3.49	\$2,624														
Azalea Village	4200 Community Drive	4.3	1987	384	98.7%	96.9%	7 to 13	\$ 75	\$ 200						\$2,120	878	\$2.41	\$2,465	\$2,497	1,070	\$2.33	2.0	\$1,460	\$3,175	1,325	\$2.40	2.0	\$1,226
											\$2,090	780	\$2.68	\$2,435					\$2,525	1,160	\$2.18	2.0	\$1,474					
Cameron Estates Apartments	1517 Cameron Samuel	3.5	2016	548			7 to 13								\$2,175	744	\$2.92	\$2,520	\$2,495	1,103	\$2.26	2.0	\$1,459	\$3,295	1,357	\$2.43	2.0	\$1,266
																			\$2,495	1,084	\$2.30	2.0	\$1,459	\$3,495	1,610	\$2.17	2.5	\$1,332
Casa Mara	3111 S. Dixie Highway	1.7	2020	300	98.0%	96.4%	1 to 15	\$ 150	\$ 400	\$ 500	\$2,200	613	\$3.59	\$2,519	\$2,521	704	\$3.58	\$2,866	\$3,262	1,119	\$2.92	2.0	\$1,843	\$4,496	1,435	\$3.13	2.0	\$1,666
															\$2,675	797	\$3.36	\$3,020	\$3,405	1,098	\$3.10	2.0	\$1,914	\$4,512	1,435	\$3.14	2.0	\$1,671
City Palms	480 Hibiscus Street	0.4	2008	274		94.9%	12 to 15								\$2,395	650	\$3.68	\$2,638	\$2,995	1,124	\$2.66	2.0	\$1,650	\$3,695	1,469	\$2.52	3.0	\$1,353
															\$2,395	769	\$3.11	\$2,638	\$3,195	1,124	\$2.84	2.0	\$1,750					
															\$2,395	748	\$3.20	\$2,638	\$3,320	1,307	\$2.54	2.5	\$1,812					
															\$2,495	779	\$3.20	\$2,738										
Cortland Portofino Place	4600 Portofino Way	6.2	2003	812	96.6%	94.1%	7 to 15	\$ 99	\$ 250						\$2,022	994	\$2.03	\$2,367	\$2,503	1,376	\$1.82	2.0	\$1,463	\$2,794	1,376	\$2.03	2.0	\$1,099
																							\$3,010	1,672	\$1.80	2.0	\$1,171	
																							\$2,606	1,278	\$2.04	2.0	\$1,036	
Cortland West Palm	290 Courtney Lakes Cir	3.2	2014	282	96.1%	85.2%	7 to 15	\$ 99	\$ 250	\$ 565					\$1,995	796	\$2.51	\$2,280	\$2,585	1,141	\$2.27	2.0	\$1,474					
															\$2,035	796	\$2.56	\$2,320	\$2,655	1,141	\$2.33	2.0	\$1,509					
															\$1,935	753	\$2.57	\$2,220	\$2,645	1,201	\$2.20	2.0	\$1,504					
															\$2,040	753	\$2.71	\$2,325										
Icon Marina Village	4444 N. Flagler Drive	3.4	2022	399	91.5%	89.3%		\$ 150	\$ 350		\$2,607	680	\$3.83	\$2,926	\$2,819	770	\$3.66	\$3,164	\$3,247	1,300	\$2.50	2.0	\$1,835	\$5,146	1,590	\$3.24	2.5	\$1,883
															\$2,968	885	\$3.35	\$3,313	\$3,446	1,155	\$2.98	1.0	\$1,935					
															\$3,112	765	\$4.07	\$3,457	\$3,594	1,300	\$2.76	2.0	\$2,009					
															\$3,169	925	\$3.43	\$3,514										
															\$2,350	890	\$2.64	\$2,695										
Indigo West Palm Beach	1500 Centrepark Blvd.	2.2	2020	246		94.0%	8 to 15	\$ 125	\$ 350	\$ 750					\$2,335	720	\$3.24	\$2,680	\$2,943	1,074	\$2.74	2.0	\$1,683	\$3,411	1,278	\$2.67	2.0	\$1,304
															\$2,618	793	\$3.30	\$2,963										
Inscription West Palm Beach	1991 Presidential Way	4.2	2024	191	L U	L U	7 to 13	\$ 150	\$ 350						\$2,260	787	\$2.87	\$2,605	\$2,480	1,107	\$2.24	2.0	\$1,452	\$5,075	1,485	\$3.42	2.0	\$1,859
															\$2,315	827	\$2.80	\$2,660	\$2,645	1,150	\$2.30	2.0	\$1,534					
															\$2,430	878	\$2.77	\$2,775	\$2,705	1,179	\$2.29	2.0	\$1,564					
															\$2,530	1001	\$2.53	\$2,875										
															\$2,655	986	\$2.69	\$3,000										
Loftin Place	805 N. Olive Avenue	1.3	2015	259	98.9%	94.6%	7 to 15	\$ 125	\$ 400	\$ 750	\$2,508	578	\$4.34	\$2,827	\$2,306	717	\$3.22	\$2,651	\$2,628	1,037	\$2.53	2.0	\$1,526					
															\$2,576	667	\$3.86	\$2,921	\$2,608	996	\$2.62	2.0	\$1,516					
															\$2,391	716	\$3.34	\$2,736										
															\$2,391	667	\$3.58	\$2,736										
															\$2,541	667	\$3.81	\$2,886										

Conventional Market Rents (con't.) - 2024

Apartment Community	Address	DTC	Year Built	# of Units	March 2024 Occup	March 2024 Prelease	Lease Terms	Appl Fee	Admin Fee	Security Deposit	Studio				One Bedroom				Two Bedroom				Three Bedroom					
											Rent	SF	Rent/SF	PPR w/ Util.	Rent	SF	Rent/SF	PPR w/ Util.	Rent	SF	Rent/SF	# BA	PPR w/ Util.	Rent	SF	Rent/SF	# BA	PPR w/ Util.
Resia Mangonia Lake	2201 N. Australian Ave.	2.9	2019	240	94.2%	90.5%	9 to 15	\$ 65	\$ 175					\$1,837	620	\$2.96	\$2,182	\$1,999	750	\$2.67	1.0	\$1,211						
Oversea @ Flagler Banyan Sq	290 N. Olive Avenue	1.2	2019	245	95.6%	93.9%	7 to 15	\$ 125	\$ 350	\$ 2,500	\$2,634	586	\$4.49	\$2,953	\$2,808	757	\$3.71	\$3,153	\$3,742	1,155	\$3.24	2.0	\$2,083	\$4,777	1,393	\$3.43	2.0	\$1,760
											\$2,699	586	\$4.61	\$3,018	\$3,040	736	\$4.13	\$3,385	\$3,767	1,155	\$3.26	2.0	\$2,095					
															\$3,271	771	\$4.24	\$3,616	\$3,968	1,117	\$3.55	2.0	\$2,196					
Parc500 Apartment Homes	500 N. Congress Ave.	4.0	1970	217	98.2%	95.4%		\$ 95	\$ 175	\$ 400					\$1,783	900	\$1.98	\$2,128	\$2,185	1,100	\$1.99	1.0	\$1,304	\$2,342	1,700	\$1.38	2.0	\$948
																			\$2,192	1,100	\$1.99	1.0	\$1,308					
																			\$2,742	1,500	\$1.83	2.0	\$1,583					
ParkLine Palm Beaches	591 Evernia Street	0.9	2018	290	95.6%	91.8%	12. 14			\$ 1,000	\$2,317	495	\$4.68	\$2,636	\$3,425	767	\$4.47	\$3,770	\$3,926	1,212	\$3.24	2.0	\$2,175					
											\$2,999	615	\$4.88	\$3,318	\$2,026	757	\$2.68	\$2,371	\$2,584	920	\$2.81	2.0	\$1,504					
											\$2,072	565	\$3.67	\$2,391	\$2,176	730	\$2.98	\$2,521	\$2,584	1,092	\$2.37	2.0	\$1,504	\$3,081	1,364	\$2.26	2.0	\$1,194
Riverstone Palm Beach	195 River Grove Way	6.0	2022	374			7 to 15	\$ 125	\$ 300		\$2,207	552	\$4.00	\$2,526	\$2,026	755	\$2.68	\$2,371	\$2,604	1,104	\$2.36	2.0	\$1,514					
															\$2,101	764	\$2.75	\$2,446	\$2,634	1,076	\$2.45	2.0	\$1,529					
															\$2,151	773	\$2.78	\$2,496										
Royal St. George	1441 Brandywine Road	3.8	1995	224	98.7%	97.4%		\$ 80	\$ 225						\$1,760	576	\$3.06	\$2,105	\$2,220	936	\$2.43	2.0	\$1,347	\$2,495	1,187	\$2.10	2.0	\$999
															\$1,715	576	\$2.98	\$2,060	\$2,220	936	\$2.37	2.0	\$1,322					
															\$1,995	936	\$2.13	2.0	\$1,209									
Sole at City Center	499 Evernia Street	0.7	2018	317	97.5%	90.9%	7 to 14	\$ 100	\$ 350	\$ 1,000	\$2,244	608	\$3.69	\$2,563	\$2,727	749	\$3.64	\$3,071	\$3,845	1,069	\$3.60	2.0	\$2,134					
											\$2,222	621	\$3.58	\$2,541														
											\$2,342	568	\$4.12	\$2,661														
The Bohemian	101 SE Coast Street	6.5	2022	200	97.0%	93.5%	7 to 14								\$1,699	530	\$3.21	\$2,044	\$2,499	1,005	\$2.49	2.0	\$1,461					
															\$1,750	530	\$3.30	\$2,095	\$2,550	1,005	\$2.54	2.0	\$1,487					
															\$1,699	605	\$2.81	\$2,044	\$2,550	1,029	\$2.48	2.0	\$1,487					
															\$1,750	605	\$2.89	\$2,095										
															\$1,899	605	\$3.14	\$2,244										
															\$2,174	736	\$2.95	\$2,519										
The Grand @ West Palm Beach	609 2nd Street	1.1	2023	309	98.8%	98.1%	7 to 14								\$2,380	708	\$3.36	\$2,665	\$3,069	1,063	\$2.89	2.0	\$1,716					
															\$2,193	592	\$3.70	\$2,478	\$3,275	1,063	\$3.08	2.0	\$1,819					
															\$3,080	978	\$3.15	\$2,722										
The Landings at West Palm	5865 Caribbean Blvd.	7.9	1991	206			12	\$ 100	\$ 250						\$1,810	761	\$2.38	\$2,095	\$1,960	914	\$2.14	1.5	\$1,162	\$2,430	1,167	\$2.08	1.5	\$977
																			\$2,060	914	\$2.25	1.5	\$1,212					
															\$1,799	635	\$2.83	\$2,144	\$2,299	971	\$2.37	2.0	\$1,361					
The MID	1601 N. Dixie Hwy	5.2	2020	240	96.3%	96.3%	7 to 15	\$ 125	\$ 350						\$1,850	635	\$2.91	\$2,195	\$2,320	971	\$2.39	2.0	\$1,372					
															\$1,899	738	\$2.57	\$2,244	\$2,380	971	\$2.45	2.0	\$1,402					
															\$1,990	738	\$2.70	\$2,335										
The Point @ District Flats	1050 Blanche Street	1.5	2020	178	96.7%	93.9%	12 to 15	\$ 125	\$ 350	\$ 500	\$2,058	551	\$3.74	\$2,377	\$2,252	684	\$3.29	\$2,597	\$2,879	930	\$3.10	2.0	\$1,651					
															\$2,282	716	\$3.19	\$2,627	\$2,864	930	\$3.08	2.0	\$1,644					
															\$2,357	873	\$2.70	\$2,702	\$2,884	930	\$3.10	2.0	\$1,654					
The Strand	255 Evernia Street	0.8	2002	282	95.8%	95.8%	7 to 15	\$ 100	\$ 350						\$2,255	720	\$3.13	\$2,547	\$2,595	796	\$3.26	1.0	\$1,474	\$3,800	1,174	\$3.24	2.0	\$1,405
															\$2,495	667	\$3.74	\$2,787	\$3,395	1,138	\$2.98	2.0	\$1,874					
															\$3,195	1,160	\$2.75	\$2,779	\$3,295	1,160	\$2.84	2.0	\$1,829	\$4,295	1,596	\$2.69	2.0	\$1,579
The Whitney	410 Evernia Street	0.6	2007	210	97.2%	97.2%	7 to 12	\$ 100	\$ 250										\$3,195	1,160	\$2.75	2.0	\$1,779					
																			\$3,295	1,160	\$2.84	2.0	\$1,829					
Uptown 22 Village Crossing	2210 N. Australian Ave. 3101 Village Boulevard	3.0	1997	252	98.1%	98.1%	7 to 12	\$ 100	\$ 300						\$1,650	510	\$3.24	\$1,995										
															\$1,750	835	\$2.10	\$1,933	\$2,180	1,075	\$2.03	2.0	\$1,212					
															\$1,876	835	\$2.25	\$2,059	\$2,265	1,075	\$2.11	2.0	\$1,255					
Village Place	2111 Brandywine Road	4.5	1986	202	98.1%	97.6%	7 to 12	\$ 80	\$ 225						\$1,805	643	\$2.81	\$2,125	\$2,259	1,079	\$3.13	2.0	\$1,359	\$2,795	1,355	\$2.06	2.0	\$1,099
															\$1,835	875	\$2.10	\$2,180	\$2,335	1,079	\$2.16	2.0	\$1,379					
															\$1,695	500	\$3.39	\$2,040	\$2,040	900	\$2.27	1.0	\$1,232					
Vue at 1400	1400 Village Boulevard	4.1	1990	316	95.0%	88.3%	7 to 15	\$ 105	\$ 200						\$1,755	500	\$3.51	\$2,100	\$2,250	1,000	\$2.25	2.0	\$1,337					
															\$1,790	800	\$2.24	\$2,135	\$2,365	1,000	\$2.37	2.0	\$1,394					
															\$2,000	800	\$2.50	\$2,345										

Conventional Market Rents - 2025

Adjusted Market Rates ¹

Unit Type	Minimum Per Person	Maximum Per Person	Median Per Person	n=2
Studio	\$2,309	\$3,318	\$2,624	10
1 BR	\$1,933	\$3,808	\$2,534	29
2 BR	\$1,162	\$2,418	\$1,514	29
3 BR	\$948	\$1,883	\$1,304	17

Notes:

Rents in this sample represent available advertised units and rents. Additional options may be available.

Italic font = median (used when three or more of similar unit types are offered at varying rents).

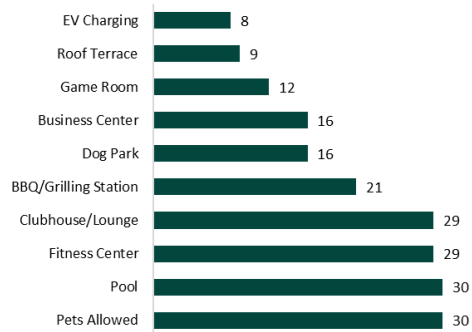
DTC: Distance to Campus (901 S Flagler Dr, West Palm Beach, FL 33401) using Google Maps.

Apartment Community	DTC	Year Built	# of Units	Feb 2025 Occup	Feb 2025 Prelease	Lease Terms	Appl Fee	Admin Fee	Security Deposit	Studio				One Bedroom				Two Bedroom				Three Bedroom									
										Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.				
Anya Apartments	0.9	2023	223	93.8%	91.1%	8 to 15	\$150	\$ 350		\$3,009 \$2,368 \$2,859	544 551 561	\$5.53 \$4.30 \$5.10	\$3,328 \$2,687 \$3,178	\$3,593	746	\$4.82	\$3,938	\$7,789	1,155	\$6.74	2.0	\$4,106	\$8,591	1,503	\$5.72	2.0	\$3,031				
Avalon West Palm Beach	0.6	2018	290	95.2%	95.2%	1 to 18	\$100	\$ 400	\$ 500	\$2,409 \$2,120	573 566	\$4.20 \$3.75	\$2,728 \$2,439	\$3,170	835	\$3.80	\$3,515	\$4,805 \$4,698 \$3,758 \$3,825	1,438 1,693 1,313 1,248	\$3.34 \$2.77 \$2.86 \$3.06	2.0 2.0 2.0 2.0	\$2,614 \$2,561 \$2,091 \$2,124									
Azalea Village	4.3	1987	384	95.4%	94.8%	7 to 13	\$ 75	\$ 200						\$1,930	829	\$2.33	\$2,275	\$2,295 \$2,275	1,070 1,160	\$2.14 \$1.96	2.0 2.0	\$1,359 \$1,349									
Cameron Estates Apartments	3.5	2016	548			7 to 13								\$1,995	744	\$2.68	\$2,340	\$2,375	1,064	\$2.23	2.0	\$1,399	\$3,175	1,357	\$2.34	2.0	\$1,226				
																	\$2,575	1,107	\$2.33	2.0	\$1,499	\$3,500	1,610	\$2.17	2.5	\$1,334					
Casa Mara	1.7	2020	300	97.4%	94.7%	1 to 15	\$150	\$ 400	\$ 500	\$2,218	613	\$3.62	\$2,537	\$2,701	704	\$3.84	\$3,046	\$3,873	1,109	\$3.49	2.0	\$2,148	\$4,343	1,435	\$3.03	2.0	\$1,615				
										\$2,901	797	\$3.64	\$3,246	\$2,901	797	\$3.64	\$3,246	\$4,010	1,229	\$3.26	2.0	\$2,217	\$4,418	1,435	\$3.08	2.0	\$1,640				
City Palms	0.4	2008	274	98.6%	97.5%	12 to 15								\$2,495	769	\$3.24	\$2,738	\$2,995	1,124	\$2.66	2.0	\$1,650									
														\$2,595	769	\$3.37	\$2,838	\$3,595	1,288	\$2.79	2.0	\$1,950									
										\$2,495	748	\$3.34	\$2,738	\$3,495	748	\$3.34	\$2,738	\$3,495	1,288	\$2.71	2.5	\$1,900									
														\$3,320				\$3,320	1,307	\$2.54	2.5	\$1,812									
Cortland Portofino Place	6.2	2003	812	97.7%	95.2%	7 to 15	\$ 99	\$ 250						\$2,029	821	\$2.47	\$2,373	\$2,466	1,157	\$2.13	2.0	\$1,445	\$2,108	933	\$2.26	\$2,453	\$2,486	1,456	\$1.71	2.0	\$1,455
														\$2,123	1150	\$1.85	\$2,468	\$2,233	753	\$2.97	\$2,518	\$2,667	1,201	\$2.22	2.0	\$1,515	\$3,078	1,385	\$2.22	2.0	\$1,193
										\$2,266	796	\$2.85	\$2,550	\$2,266	796	\$2.85	\$2,550	\$2,617	1,141	\$2.29	2.0	\$1,490	\$3,108	1,385	\$2.24	2.0	\$1,203				
														\$3,158				\$3,158	1,385	\$2.28	2.0	\$1,220									
Cortland West Palm	3.2	2014	282	97.9%	93.3%	7 to 15	\$ 99	\$ 250	\$ 565					\$2,233	753	\$2.97	\$2,518	\$2,667	1,201	\$2.22	2.0	\$1,515	\$3,078	1,385	\$2.22	2.0	\$1,193				
														\$2,266	796	\$2.85	\$2,550	\$2,617	1,141	\$2.29	2.0	\$1,490	\$3,108	1,385	\$2.24	2.0	\$1,203				
														\$3,158				\$3,158	1,385	\$2.28	2.0	\$1,220									
Icon Marina Village	3.4	2022	399	98.5%	94.8%		\$150	\$ 350		\$2,865	680	\$4.21	\$3,184	\$3,551	838	\$4.24	\$3,896	\$4,519	1,300	\$3.48	2.0	\$2,471									
Indigo West Palm Beach	2.2	2020	246		94.8%	8 to 15	\$125	\$ 350	\$ 750					\$2,397	720	\$3.33	\$2,742	\$2,842	1,074	\$2.65	2.0	\$1,633	\$3,126	1,278	\$2.45	2.0	\$1,209				
														\$2,480	793	\$3.13	\$2,825														
Inscription West Palm Beach	4.2	2024	191	88.0%	87.0%	7 to 13	\$150	\$ 350						\$2,563	787	\$3.26	\$2,907	\$3,420	1,179	\$2.90	2.0	\$1,922	\$4,038	1,485	\$2.72	2.0	\$1,513				
														\$2,899	827	\$3.51	\$3,244	\$3,200	1,107	\$2.89	2.0	\$1,812									
										\$3,049	827	\$3.69	\$3,394																		
Loftin Place	1.3	2015	259	98.5%	93.5%	7 to 15	\$125	\$ 400	\$ 750	\$2,279	578	\$3.94	\$2,598	\$2,285	663	\$3.45	\$2,630	\$2,638	985	\$2.68	2.0	\$1,531	\$2,881	1,037	\$2.78	2.0	\$1,652				

Conventional Market Rents (con't.) – 2025

Apartment Community	DTC	Year Built	# of Units	Feb 2025 Occup	Feb 2025 Prelease	Lease Terms	Appl Fee	Admin Fee	Security Deposit	Studio				One Bedroom				Two Bedroom					Three Bedroom				
										Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.	Rent	SF	Rent/ SF	# BA	PPR w/ Util.
Resia Mangonia Lake	2.9	2019	240	93.8%	92.1%	9 to 15	\$ 65	\$ 175						\$1,877	620	\$3.03	\$2,222	\$2,051	900	\$2.28	1.0	\$1,237					
Oversea @ Flagler Banyan Sq	1.2	2019	245	95.6%	91.9%	7 to 15	\$125	\$ 350	\$ 2,500	\$2,585	586	\$4.41	\$2,904	\$3,387	736	\$4.60	\$3,732										
										\$2,483	605	\$4.10	\$2,802	\$3,492	747	\$4.67	\$3,837										
										\$2,947	608	\$4.85	\$3,266	\$3,502	758	\$4.62	\$3,847										
										\$3,089	648	\$4.77	\$3,408	\$3,437	680	\$5.05	\$3,782										
Parc500 Apartment Homes	4.0	1970	217	95.9%	95.2%		\$ 95	\$ 175	\$ 400	\$1,617	900	\$1.80	\$1,962	\$1,809	1,100	\$1.64	1.0	\$1,116									
										\$1,602	900	\$1.78	\$1,947	\$2,076	1,400	\$1.48	2.0	\$1,250									
ParkLine Palm Beaches	0.9	2018	290	95.6%	92.5%	12 to 14			\$ 1,000	\$2,159	495	\$4.36	\$2,478	\$3,139	767	\$4.09	\$3,484	\$4,698	1,286	\$3.65	2.0	\$2,561					
										\$2,381	768	\$2.97	\$2,600														
Riverstone Palm Beach	6.0	2022	374		92.0%	7 to 15	\$125	\$ 300		\$2,122	565	\$3.76	\$2,441	\$2,205	756	\$2.92	\$2,550	\$2,785	1,076	\$2.59	2.0	\$1,604	\$3,575	1,364	\$2.62	2.0	\$1,359
																							\$3,705	1,364	\$2.72	2.0	\$1,402
Royal St. George	3.8	1995	224	96.0%	93.4%		\$ 80	\$ 225						\$1,690	576	\$2.93	\$2,035	\$2,025	1,101	\$1.84	2.0	\$1,224	\$2,540	1,187	\$2.14	2.0	\$1,014
										\$1,900	750	\$2.53	\$2,245	\$2,030	1,101	\$1.84	2.0	\$1,227	\$2,735	1,187	\$2.30	2.0	\$1,079				
										\$1,775	750	\$2.37	\$2,120	\$1,985	936	\$2.12	2.0	\$1,204	\$2,735	1,187	\$2.30	2.0	\$1,079				
Sole at City Center	0.7	2018	317	96.9%	93.4%	7 to 14	\$100	\$ 350	\$ 1,000	\$2,015	921	\$2.19	\$2,334	\$2,857	655	\$4.36	\$3,202	\$3,717	1,051	\$3.54	2.0	\$2,070					
										\$2,058	608	\$3.38	\$2,377	\$3,057	726	\$4.21	\$3,402	\$3,877	1,086	\$3.57	2.0	\$2,150					
										\$2,255	568	\$3.97	\$2,574	\$2,832	732	\$4.01	\$3,277	\$4,024	1,086	\$3.71	2.0	\$2,224					
The Bohemian	6.5	2022	200	97.5%	90.5%	7 to 14				\$1,875	568	\$3.30	\$2,219	\$2,399	1,005	\$2.39	2.0	\$1,411									
														\$2,499	1,005	\$2.49	2.0	\$1,461									
The Grand @ West Palm Beach	1.1	2023	309	96.2%	92.3%	7 to 14								\$2,365	703	\$3.36	\$2,650	\$3,080	1,021	\$3.02	2.0	\$1,722	\$3,975	1,265	\$3.14	3.0	\$1,492
The Landings at West Palm	7.9	1991	206			12	\$100	\$ 250						\$1,675	761	\$2.20	\$1,960	\$1,799	914	\$1.97	1.5	\$1,081	\$2,375	1,167	\$2.04	1.5	\$959
														\$1,975	914	\$2.16	1.5	\$1,169									
The MID	5.2	2020	240	97.1%	93.0%	7 to 15	\$125	\$ 350						\$2,116	738	\$2.87	\$2,461	\$2,607	971	\$2.68	2.0	\$1,515					
										\$2,116	635	\$3.33	\$2,461	\$2,407	1,028	\$2.34	2.0	\$1,415									
										\$1,805	635	\$2.84	\$2,150	\$2,480	1,028	\$2.41	2.0	\$1,452									
										\$1,955	738	\$2.65	\$2,300														
The Point @ District Flats	1.5	2020	178	97.2%	96.1%	12 to 15	\$125	\$ 350	\$ 500	\$2,239	684	\$3.27	\$2,584	\$2,764	982	\$2.81	2.0	\$1,594									
										\$2,249	684	\$3.29	\$2,594	\$2,569	930	\$2.76	2.0	\$1,496									
										\$2,234	684	\$3.27	\$2,579														
The Strand	0.8	2002	282	97.9%	96.6%	7 to 15	\$100	\$ 350						\$2,745	872	\$3.15	\$3,037	\$3,373	1,117	\$3.02	1.0	\$1,863	\$3,700	1,174	\$3.15	2.0	\$1,371
																							\$4,750	1,553	\$3.06	2.0	\$1,721
The Whitney	0.6	2007	210	97.7%	95.3%	7 to 12	\$100	\$ 250						\$2,635	741	\$3.56	\$2,980	\$3,295	1,160	\$2.84	2.0	\$1,829	\$4,295	1,595	\$2.69	2.0	\$1,579
										\$2,950	986	\$2.99	\$3,295	\$3,695	1,160	\$3.19	2.0	\$2,029	\$4,495	2,007	\$2.24	2.0	\$1,646				
										\$1,550	510	\$3.04	\$1,895														
										\$1,724	835	\$2.06	\$1,907														
Uptown 22	3.0	1997	252	97.7%	97.7%	7 to 12	\$100	\$ 300						\$1,760	643	\$2.74	\$2,105	\$2,040	1,027	\$1.99	1.0	\$1,232	\$2,805	1,355	\$2.07	2.0	\$1,102
Village Crossing	5.4	1988	189	99.5%	99.5%	7 to 14	\$100	\$ 300						\$1,920	755	\$2.54	\$2,265	\$2,230	1,147	\$1.94	2.0	\$1,327	\$2,815	1,355	\$2.08	2.0	\$1,106
Village Place	4.5	1986	202	98.6%	95.6%	7 to 12	\$ 80	\$ 225																			
										\$1,755	500	\$3.51	\$2,100	\$2,185	1,000	\$2.19	1.0	\$1,304									
										\$1,860	800	\$2.33	\$2,205	\$2,250	1,000	\$2.25	2.0	\$1,337									
														\$2,075	900	\$2.31	1.0	\$1,249									
														\$2,160	900	\$2.40	1.0	\$1,292									
Vue at 1400	4.1	1990	316	96.3%	92.8%	7 to 15	\$105	\$ 200																			

Conventional Market Features & Amenities



Apartment Community	Utilities Included					Unit Features						Community Features												Pets	Notes
	Elec	Gas	W/S	INT	TV	Furn	AC	DW	WD	Pat / Balc	Park.	Pool	CH / Lounge	Work out	Bus Ctr	BBQ	Roof Terrace	Dog Park	Game Room	Sports Court	EV Charge	Laundry	Play Ground		
1 Apartments	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	Y	Poolside Yoga Lawn
on West Palm Beach	N	N	N	N	N	A\$	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	N	N	N	N	N	Y	Reduced security deposit
ea Village	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y		N	N	Y	N	N	N	Y	Car Wash
eron Estates Apartments	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	N	N	Y	Y	Theatre Room, Valet Waste, Car Wash
1 Mara	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	N	Y	Y	
Palms	N	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N	N	N	N	Y	Sauna
land Portofino Place	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y		N	Y	Y	
land West Palm	N	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	N	Y	Valet Waste
1 Marina Village	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	N	N	N	Y	1 month free, Private Beach & Dock
30 West Palm Beach	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	N	N	Y	Pet Wash Station
ription West Palm Beach	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	N	N	Y	1 month free, Pet Wash Station	
in Place	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	N	N	N	Y	

Notes:

Y= yes, N=no, A=available, S=select units, (\$) = additional cost

Conventional Market Features & Amenities (con't.)

Apartment Community	Utilities Included					Unit Features					Community Features													Pets	Notes
	Elec	Gas	W/S	INT	TV	Furn	AC	DW	WD	Pat / Balc	Park.	Pool	CH / Lounge	Work out	Bus Ctr	BBQ	Roof Terrace	Dog Park	Game Room	Sports Court	EV Charge	Laundry	Play Ground		
a Mangonia Lake	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	N	Y	Y	1 month free, Lake Access
rsea @ Flagler Banyan Sq	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	N	N	Y	Guest Suite, Pet Wash Station
500 Apartment Homes	N	N	N	N	N	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	N	Y	Y	Y	Valet Waste, Waterfront
.Line Palm Beaches	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	
rstone Palm Beach	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	Y	Pet Wash Station
al St. George	N	N	N	N	N	A	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	Y	N	Y	Y	N	Y	Y	Pet Wash Station
at City Center	N	N	N	N	N	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	Y	N	N	Y	1 month free, Guest Suite, Theatre Room, Zen Garden
Bohemian	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	N	Y	
Grand @ West Palm Beach	N	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	N	Y	
Landings at West Palm	N	N	Y	N	N	N	Y	Y	N	N	Y	Y	Y	N	N	N	N	N	N	N	N	Y	Y	Y	
MID	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	N	Y	Zen Garden
Point @ District Flats	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	N	N	N	N	Y	Pet Wash Station
Strand	N	N	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	N	N	Y	N	Y	1 month free
Whitney	N	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	N	N	N	N	N	N	Y	1 month free, Zen Garden
own 22	N	N	N	N	N	N	Y	Y	N	N	Y	Y	Y	Y	N	N	N	Y	N	N	N	Y	N	Y	1 month free
ge Crossing	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	Y	Lake access
ge Place	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	Y	N	Y	Y	N	Y	Y	
at 1400	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	N	N	N	Y	Lake Access

Notes:

Y= yes, N=no, A=available, S=select units, (\$) = additional cost

Shadow Market Rents

Adjusted Monthly Rates¹

Unit Type	Minimum Per Person	Maximum Per Person	Median Per Person	n = 2
1 BR	\$2,120	\$2,895	\$2,694	6
2 BR	\$1,387	\$2,437	\$1,849	6
3 BR	\$901	\$2,166	\$1,584	6
4 BR	\$907	\$1,620	\$1,106	6

Type	Address	DTC	Lease Terms	App Fee	Admin Fee	Security Deposit	1BR	PPR w/ Util.	2BR	PPR w/ Util.	3BR	PPR w/ Util.	4BR	PPR w/ Util.
SFH	1036 Francis Street	3.4	3 to 12			\$3,000	\$2,800	\$2,800						
CON	600 S Dixie Highway	0.4	12			\$2,550	\$2,550	\$2,895						
CON	550 Okeechobee Boulevard	0.5	12			\$2,400	\$2,400	\$2,745						
TH	338 Walton Boulevard	2.2		\$50	\$200	\$1,900	\$1,900	\$2,245						
CON	1301 Alpha Street	1.5	12 to 14	\$100		\$2,299	\$2,299	\$2,644						
CON	738 Executive Center Drive	3.7				\$3,175	\$1,775	\$2,120						
CON	701 S. Olive Avenue	0.5	12	\$100		\$4,600			\$4,450	\$2,437				
CON	403 S. Sapodilla Avenue	0.9	12			\$3,950			\$3,950	\$2,187				
CON	1801 N. Flagler Drive	2.1	12			\$3,300			\$3,300	\$1,862				
SFH	931 33rd Street	3.7	12			\$3,250			\$3,250	\$1,837				
CON	651 Okeechobee Boulevard	0.6	12	\$100		\$2,850			\$2,850	\$1,637				
CON	1830 Embassy Drive	4.2	6			\$2,350			\$2,350	\$1,387				
SFH	815 Omar Road	1.9				\$2,200					\$2,200	\$901		
SFH	5812 Garden Avenue	3.5	12			\$3,850					\$3,850	\$1,451		
SFH	401 32nd Street	2.8	12			\$4,000					\$4,000	\$1,501		
SFH	1037 W. Lakewood Road	3.4	12	\$100		\$4,500					\$4,500	\$1,667		
SFH	2518 Ranch House Road	4.8	6 or 12			\$4,900					\$4,900	\$1,801		
TH	312 N. Bromeliad	0.9	12			\$6,500					\$5,995	\$2,166		
SFH	1357 7th Street	2.2	12	\$150		\$2,950							\$3,100	\$907
SFH	3406 Oswego Avenue	3.2	12			\$3,895							\$3,895	\$1,106
TH	833 Millbrae Court	3.4				\$3,650							\$3,650	\$1,045
TH	410 Amador Lane	4.0				\$3,895							\$3,895	\$1,106
SFH	935 Avon Road	1.8	12			\$6,950							\$5,950	\$1,620
SFH	2233 Dock Street	1.8	12			\$5,900							\$5,900	\$1,607

CON = Condo

SFH = Single Family House

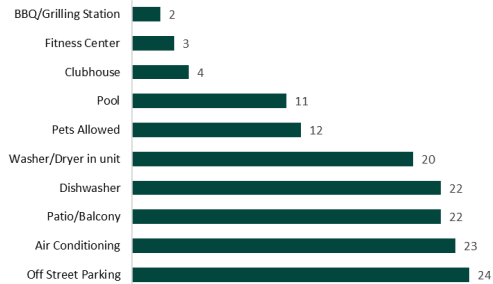
TH = Townhouse

APT = Privately owned Apartment

Notes:

Y= yes, N=no, A=available, S=select units, (\$) = additional cost

Shadow Market Features & Amenities



Type	Address	Utilities Included					Features							Pets Permitted	Notes
		Elec	Gas	W/S	TV	INT	Furn	Off St Parking	Patio	A/C	DW	WD	WDC only		
SFH	1036 Francis Street	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	
CON	600 S Dixie Highway	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	N	Pool, Clubhouse
CON	550 Okeechobee Boulevard	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	N	Y	
TH	338 Walton Boulevard	N	N	N	N	N	N	Y	Y	Y	Y	N	N	Y	
CON	1301 Alpha Street	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	Y	Fitness Center, EV Charge, BBQ
CON	738 Executive Center Drive	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	N	Pool, Fitness Center
CON	701 S. Olive Avenue	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Pool, Clubhouse, Business Center
CON	403 S. Sapodilla Avenue	N	N	N	N	N	N	Y	N	Y	Y	Y	N	Y	Pool, Business & Fitness Center
CON	1801 N. Flagler Drive	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	N	N	Pool, Business Center
SFH	931 33rd Street	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	N	
CON	651 Okeechobee Boulevard	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	N	Pool, Clubhouse
CON	1830 Embassy Drive	Y	Y	Y	N	N	Y	Y	Y	Y	Y	N	N	N	Laundry on-site, Pool, Clubhouse
SFH	815 Omar Road	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	Y	
SFH	5812 Garden Avenue	N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	Y	
SFH	401 32nd Street	N	N	N	N	N	N	Y	Y	Y	Y	N	Y	Y	
SFH	1037 W. Lakewood Road	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	Y	
SFH	2518 Ranch House Road	N	N	N	N	N	Y	Y	Y	Y	Y	N	Y	Y	Pool, BBQ, RV/Boat Parking
TH	312 N. Bromeliad	N	N	N	N	N	N	Y	Y	Y	Y	Y	N	N	Pool
SFH	1357 7th Street	N	N	N	N	N	N	Y	Y	Y	N	Y	N	N	
SFH	3406 Oswego Avenue	N	N	N	N	N	N	Y	Y	N	Y	Y	N	N	
TH	833 Millbrae Court	N	N	Y	Y	Y	N	Y	N	Y	Y	Y	N	N	Pool, Clubhouse
TH	410 Amador Lane	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	Pool, Gameroom, Clubhouse
SFH	935 Avon Road	N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	N	
SFH	2233 Dock Street	N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	Y	

Development Pipeline

There are two multifamily properties currently under development in the West Palm area. Due to distance, price and property type these communities will not be a direct competitor to new on-campus housing.

Project	Address	Units	Status	Estimated Delivery
Soleste Palm Station	520 North Rosemary Avenue	321	Under Construction	N/A
The Spruce	2501 Spruce Avenue	270	Under Construction	N/A

*Please refer to the Footnotes

Footnotes:

To the right is a list of footnotes for information that has been referenced earlier in this Market Study.

Market Rent	• https://www.apartments.com/rent-market-trends/west-palm-beach-fl/ - same website used for 2025 data*
Pipeline	1. https://therealdeal.com/miami/2024/03/05/steve-ross-related-pre-leasing-downtown-west-palm-rentals/ 2. https://www.palmbeachpost.com/story/news/local/westpb/2024/02/16/west-palm-beach-development-includes-new-8-story-apartment-grocery-store/72581793007/ 3. https://www.palmbeachpost.com/story/news/local/westpb/2024/02/09/west-palm-elks-lodge-makes-deal-with-apartment-complex-developer/72427416007/
Wall Street South	1. https://www.theartnewspaper.com/2024/12/03/south-florida-which-has-been-dubbed-wall-street-south-lures-but-does-not-mint-collectors 2. https://www.albapalmbeach.com/press/how-west-palm-beach-was-transformed-into-wall-street-south 3. https://nypost.com/2023/02/17/west-palm-beach-has-become-wall-street-south/
Condo Development	1. https://therealdeal.com/miami/2024/04/05/map-west-palm-beachs-residential-development-pipeline/ 2. https://www.bizjournals.com/southflorida/news/2025/01/07/west-palm-beach-north-dixie-condo-flagler-cove.html 3. https://www.youtube.com/watch?v=Y-N5uuMtoWk&t=1s 4. https://www.palmbeachpost.com/story/news/local/westpb/2025/02/13/new-west-palm-waterfront-high-rise-proposed-near-historic-community-northwood/78049919007/

Appendix

C

Peer Institution Data

Peer Institution Data

Peer Institution Data

Living Requirement	Palm Beach Atlantic University	University of Tampa	Southeastern University	Samford University	Lynn University	Liberty University
Freshman	Yes	Yes	Yes	Yes	Yes	Yes
Sophomore	Yes	Yes	Yes	Yes	Yes	Yes
Junior	Yes	No	Yes	No	No	Yes
Senior	No	No	Yes	No	No	Yes
Exemption	Palm Beach Atlantic University	University of Tampa	Southeastern University	Samford University	Lynn University	Liberty University
Part-time	>12		>12	-	-	-
Live with parents/guardians	Yes, and commutes		Yes	Yes	Yes	Yes
Married/Have Children	Yes		Yes	Yes	Yes	Yes
Parent/primary caregiver	-		Yes	-	-	-
Age	21		23	-	-	21
Military service	-		-	-	-	-
Lived on campus	-		-	-	-	-
Certified Disability	-		-	-	-	-
Other	-		-	-	-	-

Appendix

D

Live-on Requirement Policy Considerations

Live-on Requirement Policy Considerations

Live-on Requirement Policy Considerations

Consider the following before increasing the live-on requirement.

Enrollment/Occupancy Yield:

- Highly-price sensitive student populations often rely on the flexibility of living at home, or finding less-expensive housing off-campus. An increase in the residency requirement may make a PBA education less attainable for highly-price sensitive students.
- When an institution has sizable numbers of specialized populations and students with families, the number of students required to live on campus may not be substantial or could decrease.

Institutional Data Assessment:

- Careful assessment of existing institutional data should be completed to understand who is not currently living on campus and where they are living, to determine whether they would be required to live on, with the implementation of such a policy shift.

Assessment of Resources:

- The institution needs to assess the level of resources and potential changes in the services-to-student ratios. Areas to consider include, but are not limited to, RAs to residents, mental health resources, security, parking, and personnel in the housing department.
- Consider defining parameters and exclusions and identify specific processes to verify addresses and enforce the policy (processes, systems, and people-hours).

Appendix

E

Enrollment Trends

Enrollment Trends

Enrollment at PBA continues to grow, driven by expanded recruitment efforts and increased geographic reach. The steady rise in applications, admits, and deposits signals strong demand for PBA's programs, while increasing out-of-state and international interest underscores the University's expanding reputation.

With sustained enrollment growth, housing and dining capacity remain critical factors in supporting student success and retention.

Enrollment Trends

The following data, sourced for the EAB Analysis of IPEDS, provides greater context into the potential growth of PBA, as well as the anticipated demographic shift in the student body.

- Geographic Reach: FAFSA applications from outside Florida have doubled since 2021, reflecting broader national recruitment efforts. 91.8% of Fall 2025 admits are from outside Palm Beach County, showing continued expansion of the University's applicant pool. Further, applications from key states showing strong increases—Texas up 161% and California up 104% since Fall 2023. This surge highlights the success of PBA's expanded recruitment efforts and the growing national appeal of its academic programs
- As shown below, the University has experienced a surge in applications (started and completed), which in turn resulted in a higher number of admits, and ultimately deposits.
- During the 2023-24 recruitment cycle, PBA expanded its availability on the Hobsons Naviance platform to include prospective students from all 50 states. Consequently, PBA is now connected with prospective students from a total of 40 states.

TUG (FR + TR)	Year End 2020	Year End 2021	Year End 2022	Year End 2023	Year End 2024
Applications Started	5,668	6,124	10,494	13,210	15,296
Completed Applications	1,811	2,023	6,968	7,949	11,206
Admits	1,706	1,836	6,490	7,365	9,131
Deposits	681	707	844	852	956

TUG (FR + TR)	2020	2021	2022	2023	2024
Applications Started	4,542	6,095	8,943	11,591	15,296
Completed Applications	1,820	2,243	6,709	7,641	11,206
Admits	1,644	1,980	6,270	7,069	9,131
Deposits	585	573	859	838	956
Admit Rate	90.30%	88.30%	93.50%	92.50%	81.50%
App Completion Rate	40.10%	36.80%	75.00%	65.90%	86.80%

Appendix

F

Demand Analysis Supplemental Data

Demand Scenario Projections

Both scenarios began with actual Fall 2023 data, followed by projections for Fall 2024 through Fall 2027, when the Project is anticipated to open.

This report update replaced the projected Fall 2024 data with actual Fall 2024 data but retained the projections for Fall 2025 through Fall 2027.

Scenario 1 assumes the following:

- Strict enforcement of a four-year residency requirement;
 - Starting Fall 2025, policy enforced for non-local students to live on campus, percentages increase annually as established students graduate (capture rates of 75% in 2025, 85% in 2026, and 90% in 2027).
- With increased housing capacity available, assumes 50% of local students will opt to live on campus;
- Assumes the Institution will now be able to house students over the age of 21 (the current cut off). Scenario assumes the University will capture 20% of this population);
 - Note that beginning in Fall 2025, the live-on requirement will expand to include students aged 17-21, with 22-year-olds maintaining the option to live on campus;
- Current recruitment practice continue, and
- The construction of the Project (990 beds) couples with the removal of 217 existing beds and all master leases discontinued.

Scenario 2 assumes the following:

- No changes to the current housing stock; and
- Current recruitment practices continue.

Gap Analysis

The Gap analysis indicates that if the housing portfolio is “right-sized,” with the removal of existing suites and the addition of new suites and apartments, the University would need to add 361 beds to the overall inventory to meet the current demand and unit preferences of the student body.

Demand and Gap Analysis

A Gap Analysis compares existing unit mix to the optimum unit mix desired by students. As the table below shows, PBA has a surplus of residence hall/suite units, but PBA students would prefer more apartments like the existing Watson Hall or Coastal Tower-style or the proposed configurations in the Project. Note the 126 beds in master leased communities in Fall 2024 are not included in the capacity used in this analysis as they are not part of PBA’s official housing inventory.

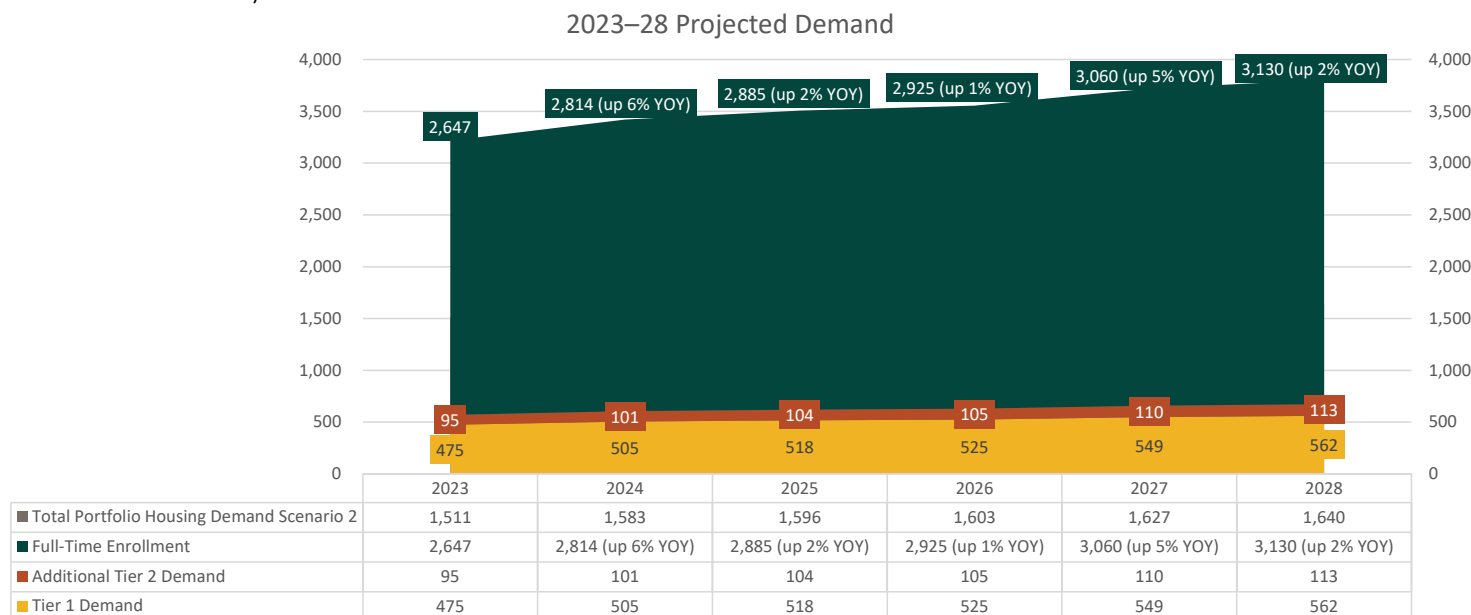
Unit Type	Capacity	Adjusted 2024 Demand				Gap	
	Fall 2024	(No Weyenberg, Pembroke, Coastal, or Malverne)	Current Residents	Off-Campus	Total	Desired Occupancy	(Surplus) = <i>too many</i> Deficit = <i>too few</i>
Existing Residence Hall	791	714	231	29	260	95%	(517)
Existing Apartment	653	520	796	29	825	95%	349
New Suite			104	42	146	95%	154
New Apartment			282	70	352	95%	371
	1,444	1,234	1,413	170	1,583		356

Demand Projections

Enrollment projections indicate that demand for housing will continue to rise beyond 2023 levels, even if the current housing stock remains unchanged. This increasing demand will further strain PBA's capacity to provide housing to the level they desire.

Demand and Gap Analysis

Should enrollment grow as projected in Scenario 2, demand for the proposed new housing would be expected to grow (as presented in the chart and table below).



In 2027, demand for the Project (only) would grow to 549 with Tier 1 rates and 659 with Tier 2 rates. Based on the student price sensitivity, coupled with the need to increase demand to fill the gap between the current development plan and the indicated demand, aligning the Project with Tier 2 rates may be prudent. About 17% of the Tier 2 demand is from students who would only live in the project at lower rates. The Project could satisfy demand by offering a mix of beds at Tier 1 and Tier 2 rates, with a larger share allocated at the lower price point. Upper floors and ocean views may naturally justify a premium, supporting the price differentiation.

¹Students may be willing and able to pay Tier 1 rates but they might prefer to pay lower Tier 2 rates if presented with the choice.

Qualitative Feedback and Observations

The on-campus visit revealed key insights into student housing and campus life. It highlighted the draw to PBA, including the campus location and the rapid growth of the University. Institutional goals aim to enhance campus life and foster inclusive communities, while student feedback underscores the importance of affordability and socialization spaces within housing to improve the student experience.



PBA Culture

Christ-Centered - More than a “faith-based” institution, PBA has a Christ-centered focus.

The Whole Student - In addition to academics, PBA focuses on preparing students to “tackle the problems of their day with godly character, open arms and a servant’s heart.”

Campus Investment - PBA is actively investing in capital projects and campus programs to improve the campus experience.

Power of Place - The nearby beach is engrained in the campus culture with many involved in beach activities and outdoor sports.



Student Experience and Campus Life

The College Experience - Most students expressed the desire to live on campus to have a “true college experience” and participate in the vibrant campus culture.

Community - Students seek community and socialization opportunities.

Shared Rooms - Double-occupancy rooms are popular, with some students willing/desiring additional roommates.

Messaging - Students would like improved (more frequent and clearer) communication regarding housing and campus events.



Student Desires and Housing Preferences

Students expressed a desire for the following:

- **Additional outdoor gathering spaces**
- **Indoor communal spaces** that promote socialization
- **Individual/small group spaces** for prayer, personal phone calls, telehealth, and more
- **Late-night food options**
- **Variety in dining plan options** - Upperclassmen and commuters expressed a need for different dining plan options
- **Well-being and mental health considerations** such as sufficient lighting and the ability to crack windows within their rooms
- **In-unit kitchens and/or communal kitchens**

APPENDIX D
CASH FLOW PROJECTION

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APPENDIX E
LOAN AGREEMENT

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LOAN AGREEMENT

by and between

PALM BEACH COUNTY, FLORIDA

and

PROVIDENT GROUP – PBAU PROPERTIES II LLC

relating to the

\$[_____]

Palm Beach County, Florida
Revenue Bonds

(Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project),
Senior Series 2025A

and

\$[_____]

Palm Beach County, Florida
Revenue Bonds

(Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project),
Subordinate Series 2025B

DATED AS OF JUNE 1, 2025

THE INTEREST OF PALM BEACH COUNTY, FLORIDA IN THIS LOAN AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED HEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN ASSIGNED AND ARE THE SUBJECT OF A GRANT OF A SECURITY INTEREST TO HANCOCK WHITNEY BANK, AS TRUSTEE, UNDER A TRUST INDENTURE OF EVEN DATE HEREWITH.

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**THE LIABILITY OF THE BORROWER UNDER THIS LOAN
AGREEMENT IS LIMITED AS DESCRIBED IN SECTION 10.06 HEREOF.**

LOAN AGREEMENT

This **LOAN AGREEMENT**, made and entered into as of June 1, 2025, is by and between **PALM BEACH COUNTY, FLORIDA**, political subdivision of the State of Florida with the powers, among others, set forth in Chapter 125, Florida Statutes, Chapter 159, Part II Florida Statutes, as amended, and **PROVIDENT GROUP – PBAU PROPERTIES II LLC**, a limited liability company organized and existing under the laws of the State of Florida.

W-I-T-N-E-S-S-E-T-H:

IN CONSIDERATION OF the respective representations and agreements hereinafter contained, the parties hereto agree as follows, provided, that in the performance of the agreements of the Issuer (as hereinafter defined) herein contained, any obligation it may thereby incur for the payment of money shall not constitute a general obligation of the Issuer, but shall be payable solely out of the revenues, receipts, and other payments derived from this Loan Agreement, the Indenture (as hereinafter defined), and the sale of the Bonds (as hereinafter defined) and any insurance proceeds, foreclosure proceeds, proceeds from released property, and condemnation awards as herein provided, and the Bonds and the interest thereon shall not constitute, within the meaning of any statutory or constitutional provision, an indebtedness, a liability, an obligation, or a loan of credit of the Issuer, the State of Florida, Palm Beach Atlantic University, or any other municipality, county, or other municipal or political corporation, public agency, or subdivision of the State of Florida:

**ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION; AND OTHER PROVISIONS
OF GENERAL APPLICATION**

Section 1.01. Definitions. Certain words and terms used in this Loan Agreement are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. In addition to the words and terms defined elsewhere herein and in the Indenture, the following words and terms are defined terms under this Loan Agreement:

"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").

"Annual Debt Service" means the amount required to pay all principal of and interest on a Series of Bonds in any Bond 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, for any period during which a Qualified Exchange Agreement shall be in effect, the interest payable on such Series of Bonds shall be deemed to be equal to the fixed periodic sum payable by the Borrower under such Qualified Exchange Agreement plus any fees paid to any credit enhancer and/or remarketing agent in connection therewith and for any period during which such a Qualified Exchange Agreement shall not be in effect, such Series of Bonds shall be treated as if it bears interest at the 25 Revenue Bond Index as published by *The Bond Buyer* on the date of determination plus twenty-five hundredths percent (0.25%) per annum.

"Annual Period" means the twelve (12) month period commencing on July 1 of each year and ending on June 30 of the subsequent year.

"Asset Management Agreement" means the agreement dated as of June [___], 2025 between the Asset Manager and the Borrower regarding the Series 2025 Project.

"Asset Management Fee" means, the amounts due, as shall be paid under the Asset Management Agreement as an operating Expense.

"Asset Manager" means the Corporation, and its successors or assigns.

"Assignment of Contracts and Agreements," with respect to the Series 2025 Bonds, means the Assignment of Contracts and Agreements of even date herewith 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 the President of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

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

"Act" means, collectively, the Constitution of the State, Chapter 125, Florida Statutes, Chapter 159, Part II, Florida Statutes, and other applicable provisions of law, and as the same may be from time to time supplemented and amended.

"Additional Bonds" means any additional parity Senior Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 211 of the Indenture.

"Additional Loan Payments" means the Loan Payments payable by the Borrower to the Issuer pursuant to this Loan Agreement that are described under the subheading "Additional Loan Payments" in Section 5.02(b) hereof.

"Additional Notes" means any promissory notes issued by the Borrower in connection with Additional Bonds.

"Additions or Alterations" means modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Series 2025 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 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 any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation (both of which groups shall be considered a Directing Body); (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 shall be deemed to include all entities performing the function of directors or members however denominated.

"Annual Budget" means the annual budget of the Borrower required by Section 8.07 hereof.

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"Basic Loan Payments" means the Loan Payments payable by the Borrower to the Issuer pursuant to this Loan Agreement that are described under the subheading "Basic Loan Payments" in Section 5.02(a) hereof.

"Bond Counsel" means, collectively, as of the date hereof, Bryant Miller Olive P.A. and thereafter, Independent Counsel nationally recognized as experienced in matters relating to Tax-Exempt Bonds selected by the Borrower.

"Bond Documents," with respect to the Series 2025 Bonds, means, collectively, the Indenture, this Loan Agreement, the Series 2025 Notes, the Tax Agreement, the Leasehold Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, the Developer's Assignment, the Bond Purchase Agreement, the Ground Lease, the University Sublease, the Development Agreement, the Design-Build Agreement, the Residential Management Agreement, the Continuing Disclosure Agreement, and the Financing Statements.

"Bond Fund" means the Fund of that name created in Section 502 of the Indenture.

"Bond Payment Dates" means, collectively, the Interest Payment Dates and all dates on which Debt Service Payments shall be payable on or in respect of any of the Bonds according to their terms and the terms of the Indenture, including without limitation, scheduled mandatory sinking fund redemption dates, dates of acceleration of the Bonds pursuant to Section 1002 of the Indenture, optional redemption dates, extraordinary optional redemption dates, and stated maturity dates, so long as any Bonds shall be Outstanding (each, a "Bond Payment Date").

"Bond Purchase Agreement," with respect to the Series 2025 Bonds, means the Bond Purchase Agreement dated [_____] 2025, among the Issuer, the Borrower and the Underwriter.

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

"Bond Resolution," with respect to the Series 2025 Bonds, means the resolution or resolutions adopted by the Issuer authorizing the issuance and sale thereof, the security therefor, and the execution, delivery, and performance of the applicable Issuer Documents.

"Bond Year" means the twelve (12) month period beginning on June 1 of each calendar year and ending on May 31 of the immediately succeeding calendar year.

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

"Bonds" means, collectively, the Series 2025 Bonds and all Additional Bonds (each, a "Bond").

"Borrower" means Provident Group – PBAU Properties II LLC, a limited liability company duly organized and existing under the laws of the State of Florida, and its successors and assigns.

"Borrower Documents," with respect to the Series 2025 Bonds, means this Loan Agreement, the Series 2025 Notes, the Tax Agreement, the Leasehold Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, the Bond Purchase Agreement, the Ground Lease, the University Sublease, the Development Agreement, the Residential Management Agreement, the Asset Management Agreement, the Continuing Disclosure Agreement, and the Borrower Financing Statement(s).

"Borrower Financing Statement(s)," with respect to the Series 2025 Bonds, means the UCC-1 Financing Statement(s) filed under the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements.

"Building" means those certain buildings and all other facilities and improvements constituting part of the Series 2025 Project and not constituting part of the Equipment that are or will be located on the Property.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State or in the state where the Office of the Trustee is located are authorized or obligated by law to close or a day on which the New York Stock Exchange is closed.

"Calculation Date" means the last day of each Bond Year and the date upon which a Series of Bonds shall be Discharged.

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

"Capitalized Interest Account" means the Account of the Bond Fund of that name created in Section 502(b) of the Indenture.

"Clerk" means the Clerk and Comptroller of Palm Beach County, Florida or any deputy thereof.

"Closing Date," with respect to a Series of Bonds, means the date of issuance and delivery thereof.

"Code" means the Internal Revenue Code of 1986, as amended. Reference herein to any specific provision of the Code shall be deemed to include a reference to any successor provision or provisions to such provision and to any Regulations issued or proposed under or with respect to such provision or under or with respect to any predecessor provision of the Internal

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Series 2025 Project in operation, and (d) any other costs and expenses relating to the acquisition, construction, and placing in service thereof;

(ii) 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;

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

(iv) any other costs and expenses relating to the Series 2025 Project that constitute costs or expenses for which the Borrower may expend Bond proceeds under the Act, other than Issuance Costs of the Series 2025 Bonds; and

(v) reimbursement to the Borrower for any costs described in (i), (ii), (iii) and (iv) above paid by it, whether before or after the execution of this Loan Agreement; provided, however, that reimbursement for any expenditures made prior to the execution of this Loan Agreement from the 2025A Account of the Construction Fund shall only be permitted for expenditures meeting the requirements of the Regulations, including but not limited to, Section 1.150-2 of the Regulations.

"County" means Palm Beach County, Florida.

"CPI Adjustment" shall have the meaning ascribed thereto in Section 7.01(b) hereof.

"Debt Service Payment" means, with respect to the Bonds or any Series of Bonds on any Bond Payment Date, (i) the premium, if any, and interest payable on the Bonds or such Series of Bonds on such Bond Payment Date, (ii) the principal payable in respect of the Bonds or such Series of Bonds on such Bond Payment Date, and (iii) the Mandatory Sinking Fund Redemption Requirement, if any, relating to the Bonds or such Series of Bonds on such Bond Payment Date (collectively, the "Debt Service Payments").

"Debt Service Reserve Fund" means the Fund of that name created in Section 506 of the Indenture.

"Debt Service Reserve Requirement," (i) with respect to the Series 2025 Bonds and any Issue of Additional Bonds that are Tax-Exempt Bonds, at the time of determination, means the

Revenue Code of 1954, as amended, to the extent any of the foregoing is applicable to the Bonds.

"Condemnation Fund" means the Fund of that name created in Section 508 of the Indenture.

"Construction Contracts," with respect to the Series 2025 Project, means the Development Agreement, the Design-Build Agreement, and the other contracts, if any, relating to the construction thereof between the Developer, the Design-Builder, or the Borrower and construction professionals or suppliers of materials and Equipment.

"Construction Costs," with respect to the Series 2025 Project, means all Costs of the Series 2025 Project that are properly payable to the appropriate contractors pursuant to the applicable Construction Contracts.

"Construction Fund" means the Fund of that name created in Section 505 of the Indenture.

"Construction Period," with respect to the Series 2025 Project, means the period between the beginning of construction thereof or the date on which Series 2025 Bonds are first delivered to the Underwriter (whichever is earlier) and the Series 2025 Completion Date.

"Continuing Disclosure Agreement" means the Continuing Disclosure and Dissemination Agent Agreement of even date herewith between the Borrower and the Dissemination Agent.

"Corporation" means Provident Resources Group Inc., a non-profit corporation duly organized and existing under the laws of the State of Georgia, and a Tax-Exempt Organization under the Code, and its successors and assigns.

"Costs of the Project," with respect to the Series 2025 Project, means those costs and expenses in connection with the acquisition, construction, furnishing, and equipping thereof permitted by the Act to be paid or reimbursed from the proceeds of the Series 2025 Bonds or any Additional Bonds including, but not limited to, the following:

(i) (a) the cost of the preparation of Plans and Specifications (including any preliminary study or planning thereof or any aspect thereof), (b) the cost of acquisition and construction thereof and all construction, acquisition, and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection therewith (including development, architectural, engineering, and supervisory services with respect to any of the foregoing), (c) interest on the Series 2025 Bonds during the applicable Construction Period and for such additional period as the Issuer shall reasonably determine to be necessary for placing the

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least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty-five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the Owners thereof for federal income tax purposes; and (ii) with respect to the Bonds, means the sum of the Debt Service Reserve Requirements for each Issue of Bonds Outstanding; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to Section 303 of the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year. Calculation of the Debt Service Reserve Requirement shall be made with respect to each Issue of Bonds that are Tax-Exempt Bonds rather than to any Series of which it is a part.

"Default Condition" means the occurrence of an event or the existence of a condition that, with the lapse of time or with the giving of notice or both, would become an Event of Default.

"Default Rate" means the prime rate charged corporate borrowers by the commercial lending department of the Trustee, if any, or in the absence of such commercial lending department or rate, the rate designated the "Prime Rate" as published each Business Day in The Wall Street Journal, plus two percent (2%) per annum.

"Defeasance Obligations" means (i) cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in item (ii) below), (ii) to the extent the same are non-callable and non-prepayable, Government Obligations, (iii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, and (iv) Defeased Municipal Obligations.

"Defeased Municipal Obligations" means obligations of state or local government municipal bond issuers that are rated in the highest rating category by any two (2) Rating Agencies provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of (i) noncallable Government Obligations or (ii) evidences of ownership of a proportionate interest in specified noncallable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, the maturing principal of and interest on such Government Obligations or evidences of ownership, when due and payable, shall provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations of state or local government municipal bond issuers.

"Design Build Contract" with respect to the Series 2025 Project, means the A141 Standard Form Agreement between Owner and Design-Builder dated _____, 2025, between the Developer and the Design Builder, as contractor, pursuant to which the Design-Builder has agreed to construct the Series 2025 Project.

"Design-Builder" means Gilbane Building Company and its successors and assigns.

"Developer" means PBAU DevCo LLC, a limited liability company organized under the laws of the State of Florida and its successors and assigns.

"Development Agreement," with respect to the Series 2025 Bonds, means the Turnkey Development Agreement dated _____, 2025, between the Borrower and the Developer.

"Discharged," with respect to a Series of Bonds, means that all amounts due thereunder are actually and unconditionally due, if cash is available at the place of payment and no interest accrues thereafter with respect to such Series of Bonds.

"Dissemination Agent" means Digital Assurance Certification, LLC, in its capacity as dissemination agent under the Continuing Disclosure Agreement and its successors and assigns, and the dissemination agent under any successor agreement.

"Equipment" shall have the meaning ascribed thereto in the Security Agreement and as described in Exhibit A attached hereto, which, by this reference thereto, is incorporated herein, and all replacements, substitutions, and additions thereto.

"Event of Default" means each of the events specified in Section 10.01 of this Loan Agreement.

"Event of Taxability," with respect to any Series of Tax-Exempt Bonds, means the existence or absence of any circumstances that causes the interest thereon or on any portion thereof to become includable in the gross income of the Owner thereof for federal income tax purposes.

"Expenses," with respect to a Project including the Series 2025 Project, means, for any period, the aggregate of all expenses and expenditures relating thereto, including, without limitation, expenses or expenditures relating to the performance of any obligation of the Borrower under the Bond Documents or to the enforcement of the obligations of other parties to documents executed in connection with the Bond Documents; the Asset Management Fees; the cost of Temporary Housing Services; fees or reimbursement of costs required to be paid to or reimbursed to the Residential Manager under the Residential Management Agreement; expenses incurred by the Borrower in connection with the inspection of the Series 2025 Project or the calculation, collection, and payment of the Rebate Amount relating to any Tax-Exempt Bonds as required by federal law; but excluding (i) any expense or expenditure paid with the proceeds of the Bonds or the Net Proceeds of insurance other than business or rental

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Indebtedness to the extent that such amounts are payable from the proceeds of such Indebtedness through capitalized interest funded through such Indebtedness.

"Fixed Charges Coverage Ratio" means, for any period, the ratio of Revenue Available for Fixed Charges to Fixed Charges.

"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.

"Governmental Person" means a state or local government unit, within the meaning of Section 1.103-1 of the Regulations, or an instrumentality thereof.

"Ground Lessor" means the University and its successors and assigns.

"Ground Lease" with respect to the Series 2025 Bonds, means the Ground Lease Agreement of even date herewith between the University, as Lessor and the Borrower, as Lessee, as the same may be amended from time to time in accordance with the provisions thereof and hereof.

"Indebtedness" means, but only to the extent incurred in connection with the Project or secured by a lien on the Project or the Pledged Revenues, (i) all debt, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (ii) all deferred debt for the payment of the purchase price of properties or assets purchased, (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, debt of others, (iv) all debt secured by mortgage, pledge, security interest, or lien existing on property owned that is subject to such mortgage, pledge, security interest, or lien, whether or not the debt secured thereby shall have been assumed, (v) swap or hedging obligations or other similar derivative or investment agreements that, under certain circumstances, require a payment upon termination, and (vi) all capitalized lease obligations; provided, however, that for the purpose of computing Indebtedness, there shall be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there shall have been irrevocably deposited with the proper depository in trust the necessary funds (or direct,

interruption insurance, (ii) any expense or expenditure paid from amounts in the Repair and Replacement Fund with respect to a Project, (iii) interest on any Indebtedness to the extent that such interest is payable from the proceeds of such Indebtedness, (iv) any expenses resulting from forgiveness of or the establishment of reserves against Indebtedness of an Affiliate that do not constitute extraordinary expense, (v) losses resulting from any reappraisal, revaluation, or write-down of assets, (vi) any unrealized loss resulting from changes in the value of investment securities, (vii) any expenses or expenditures resulting from operation of the Dining Facility, the Recreational Facility or the Parking Facility, and (viii) any non-cash expenses.

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

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the Issuer, upon which the Borrower and the Trustee shall be permitted to rely, to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and the Bond Documents and will not adversely affect any exclusion from gross income for federal income tax purposes or any exemption from State income taxes, of interest on any Tax-Exempt Bonds.

"Financial Consultant" means a firm of Accountants and/or professional management, marketing, or financial consultants having the skill and experience necessary to render the particular report required that is designated as such in writing by the Borrower. Such firm(s) shall not be, and no member, stockholder, director, officer, or employee of which shall be, an officer or employee of the Issuer, the Borrower, or the University. The reports of the Financial Consultant showing projected financial performances may be in the form of a projection of the management of the Borrower that is accompanied by a statement of a Financial Consultant to the effect that such Financial Consultant has reviewed the underlying assumptions and procedures used by management and that such assumptions provide a reasonable basis for the projection of management.

"Financing Statements," with respect to the Series 2025 Bonds, means, collectively, the Borrower Financing Statement(s) and the Issuer Financing Statement(s).

"Fitch" means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower.

"Fixed Charges" means, for any period, the sum (i) interest on Indebtedness other than Short-Term Indebtedness and (ii) scheduled payments of principal on Indebtedness other than Short-Term Indebtedness (each, a "Fixed Charge"). "Fixed Charges" do not include payments made to the Ground Lessor under the Ground Lease or any amounts payable in respect of any

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nonredeemable obligations of the United States of America) 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 shall 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 shall not be included in any computation of the income of the Borrower.

"Indenture" means the Trust Indenture of even date herewith 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 before the highest court of any state of the United States or the District of Columbia and not in the full-time employment of the Issuer or the Borrower.

"Independent Engineer" means any architect, engineer, or firm of architects or engineers that is not an affiliate or an employee of the Issuer and the Borrower and that is selected by the Borrower, at the expense of the Borrower, for the purposes of, *inter alia*, producing monthly construction monitoring reports, passing on questions relating to the design and construction of any particular facility, reviewing repairs and replacements to the Project and the adequacy of the amounts deposited and required to be deposited into the Repair and Replacement Fund, and that has all licenses and certifications necessary for the performance of such services, and that has a favorable reputation for skill and experience in performing similar services in respect of facilities of a comparable size and nature.

"Insurance Consultant" means any Person that is not the Issuer, the Borrower, or an Affiliate, appointed by the Borrower that is qualified to survey risks and to recommend insurance coverage for student housing facilities and organizations engaged in like operations as that of the Series 2025 Project in the State, and that has a favorable reputation for skill and experience in such surveys and such recommendations and who may be a broker or agent with whom the Issuer or the Borrower transacts business.

"Insurance Fund" means the Fund of that name created in Section 508 of the Indenture.

"Interest Payment Dates" means April 1 and October 1 of each year, commencing October 1, 2025, in the case of Series 2025 Bonds, and the dates on which interest is scheduled to be paid, in the case of Additional Bonds (each, an "Interest Payment Date").

"Irrevocable Deposit" means the irrevocable deposit with the Trustee in trust of Defeasance Obligations in accordance with the provisions of Section 901 of the Indenture. The Trustee shall have possession of any such Defeasance Obligations (other than book-entry securities).

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

"Issuance Cost Fund" means the Fund of that name created in Section 504 of the Indenture.

"Issuance Costs," with respect to the Series 2025 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 Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, UCC-1 Financing Statements, and any curative documents that Independent Counsel may reasonably deem necessary or desirable to file for record in order to perfect or protect the interest of the Borrower in the Series 2025 Project or the lien or security interest created or granted by the Leasehold Mortgage, the Security Agreement, or the Assignment of Contracts and Agreements and the reasonable fees and expenses in connection with any actions or proceedings that 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 Mortgage, the Security Agreement, or the Assignment of Contracts and Agreements in connection with the issuance thereof;

(ii) legal fees and expenses, underwriter's spread, underwriting fees, 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, dissemination agent fees, publication costs, title insurance premiums, and printing and engraving costs incurred in connection with the authorization, sale, issuance, and carrying of the Series 2025 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 Series 2025 Bonds permitted by the Act to be paid or reimbursed from Series 2025 Bond proceeds.

"Issue" means obligations treated as part of the same issue pursuant to Section 1.150-1(c) of the Regulations.

"Issuer" means Palm Beach County, Florida, a political subdivision of the State, and its successors and assigns.

"Issuer Documents," with respect to the Series 2025 Bonds, means, collectively, the Indenture, this Loan Agreement, the Tax Agreement, the Bond Purchase Agreement, and the Issuer Financing Statement(s).

"Issuer Financing Statement(s)," with respect to the Series 2025 Bonds, means the UCC-1 Financing Statement(s) filed with respect to the Indenture.

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Borrower. Whenever rating categories of Moody's are specified in this Loan Agreement, such categories shall be irrespective of gradations within a category.

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

"Non-Construction Costs" means all Costs of the Project other than the costs and fees that are properly payable to the appropriate contractors pursuant to the Construction Contracts.

"Notes" means the Series 2025 Notes and any Additional Notes.

"Office of the Trustee" means the corporate trust office of the Trustee described in Section 12.01 hereof, or such other location as may be designated by the Trustee to the Issuer and the Borrower in writing, or the corporate trust office of, or such other location as may be designated to the Issuer and the Borrower in writing by, any successor or temporary Trustee under the Indenture.

"Operating Account" means the checking account maintained by the Borrower from which the Borrower shall pay Expenses.

"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 an Annual Period pursuant to Section 501(d) of the Indenture exceed the amounts paid, incurred, or accrued in respect of operating Expenses of the Project during such Annual Period, such amount to be determined by the Borrower with reference to, and simultaneously with the delivery of, the audited financial statements delivered to the Trustee in accordance with the provisions of Section 8.05 hereof, as such amount may be adjusted in accordance with the provisions of Section 501(d) of the Indenture. For purposes of calculating the Operating Account Surplus for any Annual Period, amounts remaining in the Operating Account at the end of such Annual Period representing reserves for Shortfall Periods shall be retained for use to pay operating Expenses of the Project.

"Operations Contingency Fund" means the Fund of that name created in Section 509 of the Indenture.

"Opinion of Counsel" means an opinion in writing of Independent Counsel who or that is reasonably acceptable to all recipients thereof and who or that may be counsel to the Issuer, the Trustee, or the Borrower.

"Leasehold Mortgage," with respect to the Series 2025 Bonds, means the Leasehold Mortgage and Assignment of Rents and Leases of even date herewith 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.

"Lease Payments" with respect to the Series 2025 Project, means the Base Rent (as defined in the University Sublease) and any other lease payments made by the University to the Borrower pursuant to the University Sublease with respect to the dining, health/recreation and parking components of the Series 2025 Project.

"Limited Offering Memorandum," means, with respect to the Series 2025 Bonds, the Limited Offering Memorandum dated [____], 2025, relating to the Series 2025 Bonds.

"Loan" means the loan by the Issuer to the Borrower of the proceeds of the Bonds pursuant to Article III hereof and that is evidenced by the Notes.

"Loan Agreement" means this Loan Agreement between the Issuer and the Borrower, as the same may be amended and/or supplemented from time to time in accordance with the provisions of Section 12.04 hereof.

"Loan Agreement Term" means the term of this Loan Agreement as specified in Section 5.01 hereof.

"Loan Payments" means the Basic Loan Payments, the Additional Loan Payments, and the Reserve Loan Payments.

"Mandatory Sinking Fund Redemption Requirement," with respect to the Series 2025 Bonds, and on the date of calculation, means the principal portion of any Series 2025 Bonds required by the provisions of Section 303 of the Indenture to be redeemed by the Issuer on the immediately succeeding April 1.

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

"Mayor" means the Mayor or such other person or persons who are authorized to act on the Mayor's behalf, including the Vice Mayor.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the

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"Ordinary Services of the Trustee" and "Ordinary Expenses of the Trustee" mean those reasonable services rendered and those reasonable expenses incurred by the Trustee in the performance of its duties under the Indenture and under the other Bond Documents of the type ordinarily performed by corporate trustees under like indentures, including, without limitation, reasonable counsel fees and expenses.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except:

(i) Bonds theretofore canceled or required to be canceled by the Trustee;

(ii) Bonds that are deemed to have been paid in accordance with Article IX of the Indenture; and

(iii) Bonds in substitution for which other Bonds have been authenticated and delivered under Section 205 of the Indenture.

If the Indenture shall be discharged pursuant to Article IX thereof, no Bonds shall be deemed to be Outstanding within the meaning of this definition.

"Permitted Encumbrances" means, as of any particular time:

(i) liens for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with Section 6.03 hereof together with any items reflected on Schedule B to the Mortgages title insurance policy;

(ii) the Bond Documents and the [Occupancy Agreements] (as defined in the Residential Management Agreement);

(iii) currently existing utility, access, and other easements and rights of way, restrictions, and exceptions described in the title policy required by Section 3.05 hereof;

(iv) utility, access, and other easements and rights of way, restrictions, and exceptions that have been determined by the Borrower not to materially impair the use of the Project for its intended purpose or materially adversely affect the value thereof;

(v) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, or permit, or provision of law, affecting the Project, to (a) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such rights have been determined by an Opinion of Counsel not to materially impair the use of the Project for its intended purpose or

materially and adversely affect the value thereof, or (b) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Project;

(vi) rights reserved to or vested in any municipality or public authority to control or regulate the Project or to use the Project in any manner that have been determined by the Borrower not to materially impair the use of the Project for its intended purpose or materially and adversely affect the value thereof;

(vii) inchoate mechanics' and materialmen's liens that arise by operation of law, but that have not been perfected by the required filing of record, for work done or materials delivered after the date of recording the Leasehold Mortgage in connection with Additions or Alterations;

(viii) the mechanics' and materialmen's liens permitted by Section 6.01 hereof;

(ix) liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, or other forms of governmental insurance or benefits;

(x) liens to secure the performance of letters of credit, bids, tenders, statutory obligations, leases, and contracts (other than for borrowed funds) entered into in the ordinary course of business to secure obligations on surety or appeal bonds;

(xi) statutory restrictions imposed on the use of real property owned by or for the benefit of the University;

(xii) judgment liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed; and

(xiii) liens arising by reason of an Irrevocable Deposit.

"Permitted Investments" means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested under the Indenture:

(i) Government Obligations;

(ii) obligations of any federal agency that represent the full faith and credit of the United States of America, including, but not limited to:

(a)–the Export-Import Bank,

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(viii) obligations issued by states or political subdivisions or agencies of the states (and the District of Columbia) and their territories that are rated by at least two (2) Rating Agencies (one of which must be either S&P or Moody's) in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agencies;

(ix) a bank deposit account offered by the initial Trustee known as the now account; or certificates of deposit, time deposits or other direct, unsecured debt obligations of any bank (including without limitation the Trustee), trust company, or savings and loan association, if all of the direct, unsecured debt obligations of such institution are rated by a Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency, or which certificates of deposit, time deposits, or obligations are fully secured by a security interest in obligations described in item (i) or (ii) of this definition, provided, however, that if such certificates of deposit, time deposits or obligations are so secured (a) the Trustee shall have a perfected first security interest in the obligations securing such certificates of deposit, time deposits, or obligations, (b) the Trustee shall hold or shall have the option to appoint an intermediary bank, trust company, or savings and loan association as its agent to hold the obligations securing such certificates of deposit or time deposits, and (c) the Trustee or its appointed agent shall hold such obligations free and clear of the liens or claims of third parties;

(x) certificates of deposit or time deposits of any bank (including the Trustee), trust company, or savings and loan association which certificates of deposit or time deposits are fully insured by a federally sponsored insurance corporation;

(xi) securities of the type described in item (i) or (ii) above purchased under agreements to resell such securities to any registered broker/dealer subject to the Securities Investors Protection Corporation jurisdiction or any commercial bank, if such broker/dealer's or bank's uninsured, unsecured, and unguaranteed obligations are rated by a Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency, provided:

(a)–a master repurchase agreement or specific written repurchase agreement governs the transaction;

(b)–the repurchase agreement has a term of thirty (30) days or less, or the Trustee is required thereunder to value the collateral securities no less frequently than monthly and to liquidate or cause the custodian to liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation;

(b)–the U.S. Department of Agriculture Rural Development (formerly the Farmers Home Administration),

(c)–the U.S. Maritime Administration,

(d)–the Small Business Administration,

(e)–the U.S. Department of Housing & Urban Development (PHAs),

(f)–the Federal Housing Administration, and

(g)–the Federal Financing Bank;

(iii) Defeasance Obligations;

(iv) direct obligations of any of the following federal agencies that are not fully guaranteed by the full faith and credit of the United States of America:

(a)–Senior debt obligations that are rated by any two (2) Rating Agencies in the single highest rating category assigned by such Rating Agencies issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) or any other federal government sponsored agencies,

(b)–Obligations of the Resolution Funding Corporation (REFCORP), and

(c)–Senior debt obligations of other federal government sponsored agencies;

(v) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks that are rated by any two (2) of the Rating Agencies in the single highest rating category assigned by such Rating Agencies and that mature not more than three hundred sixty (360) days after the date of purchase (it being understood that ratings on bank holding companies are not considered as the rating of the bank);

(vi) commercial paper that is rated by any two (2) of the Rating Agencies in the single highest rating category assigned by such Rating Agencies and that matures not more than two hundred seventy (270) days after the date of purchase;

(vii) investments in a money market fund that is rated by a Rating Agency in the single highest rating category assigned by such Rating Agency;

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(c)–the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least one hundred percent (100%); and either:

(1)–the securities are held by the Trustee free and clear of any lien or claims of a third party, or

(2)–(A) the securities are held by an independent third party acting solely as agent for the Trustee free and clear of any lien or claims of a third party (other than as agent hereinafter describe), (B) such agent is a Federal Reserve Bank, or a bank that is a member of the Federal Deposit Insurance Corporation and which bank has combined capital, surplus and undivided profits of not less than Fifty Million Dollars (\$50,000,000), (C) the Trustee shall have received written confirmation from such agent that it holds such securities free and clear of any lien or claim, as agent for the Trustee, and (D) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et. seq. or 31 CFR 350.0 et. seq. in such securities is created for the benefit of the Trustee; and

(xii) (a) investment agreements with a bank that is rated by a Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency or (b) investment agreements with a non-bank financial institution if (1) all of the unsecured, direct long-term debt of such non-bank financial institution is rated by a Rating Agency in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency for obligations of that nature; or (2) such non-bank financial institution has no outstanding long-term debt that is rated, all of the short-term debt of which is rated by a Rating Agency in the highest rating category (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned to short-term indebtedness by such Rating Agency all of which agreements referred to this item (xii) provide that if such banks' or nonbank financial institutions' debt no longer satisfies such rating criteria such banks or institutions will secure such agreements as soon as reasonably practicable to the extent and in the manner provided in (ix) or (xi) above.

References to particular ratings and rating categories in this definition are applicable only at the time of purchase of the "Permitted Investments."

"Person" means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, limited liability companies, public bodies, and similar entities.

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"Plans and Specifications," with respect to the Series 2025 Project, means the detailed plans and specifications for the construction thereof prepared by the Design-Builder, as amended from time to time by the Borrower with the consent of the Ground Lessor, a copy of which is or will be on file with the Trustee.

"Pledged Revenues" for any period, means the sum of (a) the gross receipts and operating and non-operating revenues derived by the Borrower from the ownership or operation of the Project (other than contributions and vending machine receipts) and derived from the Residential Manager, on behalf of the Borrower, through collecting funds from residents for use or occupancy of the student housing component of the Series 2025 Project and Lease Payments made by the University pursuant to the University Sublease, and (b) Net Proceeds of insurance, and (c) Unrestricted Contributions, but excluding in any event, the sum of (A) earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, and (B) security deposits received from residents of the Project and held by the Borrower or the University 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, and (C) earnings or gains resulting from any reappraisal, revaluation, or write-up of assets, and (D) any unrealized gain resulting from changes in the value of investment securities, and (E) any revenues resulting from operation of the Dining Facility, the Recreational Facility or the Parking Facility.

"Premises" means, collectively, the Property and the Project.

"Project" means the Series 2025 Project and any additional project acquired, constructed, furnished, and equipped with the proceeds of Additional Bonds.

"Property" means the land described in Exhibit B attached hereto which, by this reference thereto, is incorporated herein.

"Qualified Exchange Agreement" means any agreement entered into between the Borrower and any Qualified Exchange Agreement Counterparty, which agreement provides that during the term thereof, the Borrower shall pay to the Qualified Exchange Agreement Counterparty an amount based on the interest accruing at a fixed rate per annum on an amount equal to the principal amount of such Bonds or portions thereof and that the Qualified Exchange Agreement Counterparty shall pay to the Borrower an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds or portions thereof at a variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount or other upfront payment due under such agreement, or any of the following: a cap, floor, or collar agreement; forward rate agreement; future rate agreement; swap agreement described above; asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction or agreement; or other similar transaction (however designated), relating to an exchange of interest rates, cash flows or payments.

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"Redemption Price" means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus accrued interest, if any, plus the applicable premium, if any, payable on redemption thereof in the manner contemplated in accordance with its terms and the Indenture.

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

"Repair and Replacement Fund" means the Fund of that name created in Section 507 of the Indenture.

"Requisite Number of Bondholders" means the Owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding.

"Reserve Loan Payments" means the Loan Payments payable by the Borrower to the Issuer pursuant to this Loan Agreement that are described under the subheading "Reserve Loan Payments" in Section 5.02(c) hereof.

"Residential Management Agreement," with respect to the Series 2025 Bonds, means (i) the Residential Management Agreement dated June __, 2025 between the Borrower and the University acting as the Residential Manager, as the same may be amended and/or supplemented from time to time and (ii) any management or similar agreement between the Borrower and any successor Residential Manager relating to the management of the student housing component of the Series 2025 Project, meeting the requirements hereunder, as the same may be amended and/or supplemented from time to time.

"Residential Manager" means, initially, the University, and its successors and assigns, and thereafter, any other management company retained by the Borrower to manage the student housing component of the Series 2025 Project.

"Restoration Plans and Specifications" shall have the meaning ascribed thereto in Section 7.03(a)(i) hereof.

"Restricted Account of the Surplus Fund" means the Account of the Surplus Fund of that name created in Section 510(a) of the Indenture.

"Revenue Available for Fixed Charges" means, for any period, the excess of Revenues over Expenses, plus, to the extent that the same shall have been included as an Expense, (i) expenses or expenditures made in respect of the Project that are capitalized, (ii) any extraordinary expenses (including without limitation losses on the sale of assets other than in

"Qualified Exchange Agreement Counterparty" means any financial institution entering into a Qualified Exchange Agreement with the Borrower that, at the time of the execution of such Qualified Exchange Agreement, (i) satisfies any applicable requirements of law and (ii) is rated, or whose debt is guaranteed, insured, or collateralized, or otherwise supported, by an entity whose financial strength or claims paying ability is rated by at least two (2) Rating Agencies (one of which must be either S&P or Moody's) in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agencies.

"Qualified Management or Service Agreement" means a management contract or other service contract the terms of which will not cause interest on any Tax-Exempt Bonds to be includable in the gross income of the Owners thereof for federal income tax purposes.

"Rating Agency," at any point in time, means any nationally recognized securities rating agency or service then rating a Series of Bonds (collectively, the "Rating Agencies"). When used in the definition of "Permitted Investments," the term Rating Agencies shall include any of Moody's, S&P, or Fitch, whether or not any of them then rates a Series of Bonds.

"Rebate Amount," means, as of any Calculation Date, the amount that would have been required to be paid to the United States of America under Section 148(f) of the Code with respect to all Outstanding Bonds had all of such Bonds been Discharged on and as of such Calculation Date.

"Rebate Analyst" means any independent certified public accountant, financial analyst, or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained and compensated by the Borrower pursuant to Section 8.12 hereof to make the computations and give the directions required under Section 511 of the Indenture.

"Rebate Fund" means the Fund of that name created in Section 511 of the Indenture.

"Rebate Year" means, as to a Series of Tax-Exempt Bonds, the period beginning on the Closing Date for such Series of Tax-Exempt Bonds and ending on the day immediately preceding the immediately succeeding five (5) year anniversary of such Closing Date, and each five (5) year period thereafter beginning on the day immediately succeeding the last day of the immediately preceding Rebate Year and ending on the day immediately preceding the immediately succeeding fifth anniversary of the Closing Date for such Series of Bonds, unless the Borrower, the Issuer, and the Trustee are advised by the Rebate Analyst that another period shall be required by law; provided, however, that the last Rebate Year for a Series of Tax-Exempt Bonds shall end on the date on which such Series of Tax-Exempt Bonds shall be paid or deemed paid in full.

"Redemption Fund" means the Fund of that name created in Section 503 of the Indenture.

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the ordinary course of business and losses on the extinguishment of debt or termination of pension plans), (iii) deposits to the Debt Service Reserve Fund, (iv) the repayment of the principal amount of any Indebtedness, (v) interest on Indebtedness other than Short-Term Indebtedness, (vi) depreciation, (vii) amortization, (viii) any other Expense to the extent that payment of such Expense shall have been subordinated to the payment of Annual Debt Service, and (ix) other non-cash expenses.

"Revenue Fund" means the Fund of that name created in Section 501 of the Indenture.

"Revenues" means, for any period, Pledged Revenues minus (i) any gains on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business, (ii) contributions from any Affiliate, (iii) Net Proceeds of insurance other than business or rental interruption insurance, (iv) any extraordinary or non-recurring receipts, grants, or revenues.

"S&P" means Standard & Poor's Ratings Services, 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 shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower. Whenever rating categories of S&P are specified in this Loan Agreement, such categories shall be irrespective of gradations within a category.

"Securities Act" means the Securities Act of 1933, as amended.

"Security" means any of the property subject to the operation of the granting clauses contained in the Security Documents.

"Security Agreement," with respect to the Series 2025 Bonds, means the Security Agreement of dated June __, 2025 by and between the Borrower and the Trustee, as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

"Security Documents" means, collectively, the Indenture, the Leasehold Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, the University Sublease and this Loan Agreement (each, a "Security Document").

"Series," with respect to the Bonds, means all Bonds issued pursuant to the same Bond Resolution. Two or more Series of Bonds may be part of the same Series of Bonds even though they may not be issued and delivered on the same day.

"Series 2025 Bonds" means, collectively, the Series 2025A Bonds and the Series 2025B Bonds.

"Series 2025 Building" means that certain building and all other ancillary facilities and improvements constituting part of the Series 2025 Project and not constituting part of the Series 2025 Equipment that are or will be located on the Property.

"Series 2025 Completion Date" means the date of substantial completion of the Series 2025 Project, as certified by the Borrower as provided in Section 4.04 hereof.

"Series 2025 Equipment" means the equipment, machinery, furnishings, and other personal property acquired with the proceeds of the Series 2025 Bonds and described in Exhibit A attached hereto, and all replacements, substitutions, and additions thereto.

"Series 2025 Loan" means the loan by the Issuer to the Borrower of the proceeds of the Series 2025 Bonds pursuant to Section 3.01(a) hereof and that is evidenced by the Series 2025 Notes.

"Series 2025 Notes" means, collectively, the Series 2025A Note and the Series 2025B Note.

"Series 2025 Project" means the 25 story mixed-use tower containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility (the "Dining Facility"), an approximately 14,000 square foot student recreational facility located on the third floor (the "Recreational Facility"), and a multi-leveled structured parking facility located adjacent to the tower containing approximately 704 parking spaces (the "Parking Facility") and related improvements and amenities, including the buildings, furniture, fixtures, and equipment therefor to be located on the Palm Beach Atlantic University campus in West Palm Beach, Florida, in Palm Beach County, Florida campus, consisting of the Series 2025 Building and the Series 2025 Equipment.

"Series 2025A Bonds" means the revenue bonds designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Series 2025A" in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

"Series 2025A Note" means the Series 2025A Promissory Note of the Borrower dated _____, 2025, in the original principal amount of \$_____, payable to the Issuer, given to evidence the obligation of the Borrower to repay the portion of the Series 2025 Loan relating to the Series 2025A Bonds and substantially in the form of Exhibit C attached hereto, which, by this reference thereto, is incorporated herein.

"Series 2025B Bonds" means the revenue bonds designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Subordinate Series 2025B" in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

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

"Unassigned Rights" means all of the rights of the Issuer to receive notices, to receive reimbursements and payments pursuant to Sections 5.02(b)(i)(B), 6.08, and 10.04 hereof, to be held harmless and indemnified pursuant to Section 8.04 hereof, and to execute and deliver supplements to and amendments of this Loan Agreement pursuant to Section 12.04 hereof.

"Underwriter" means J.P. Morgan Securities LLC, and its successors and assigns.

"University" means Palm Beach Atlantic University, Inc. (formerly known as Palm Beach Atlantic College, Inc.) and its successors and assigns.

"University Board" means the governing Board of the University, and its successors and assigns.

"University Sublease" means the Premises Sublease dated June __, 2025 by and between the Borrower, as sublessor, and the University, as sublessee, of floors 1 through 3 of the Series 2025 Project related to the dining component, the student recreation component and structured parking facility related to the parking component.

"Unrestricted Contributions" means contributions to the Borrower that are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Borrower.

"Valuation Dates" means, collectively, the dates on which the Trustee shall be required to determine the Value of the cash and investments in the Debt Service Reserve Fund, which dates shall be (i) the date on which any portion of a Series of Bonds shall be defeased in accordance with the provisions of Section 901 of the Indenture and (ii) prior to a determination that such Value is less than the Debt Service Reserve Requirement (a "Deficiency Determination"), June 30th of each year and, after a Deficiency Determination, the last day of each month until the Value of the cash and investments in the Debt Service Reserve Fund again equals or exceeds the Debt Service Reserve Requirement; provided, however, if any such day is not a Business Day the Trustee shall make such determination as of the immediately succeeding Business Day (each, a "Valuation Date").

"Value," with respect to Permitted Investments, means (i) 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 investment so published on or most recently prior to such time of determination; (ii) 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 time of determination for such investment by any two (2) 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; (iii) with respect to certificates of

"Series 2025B Note" means the Series 2025B Promissory Note of the Borrower dated _____, 2025, in the original principal amount of \$_____, payable to the Issuer, given to evidence the obligation of the Borrower to repay the portion of the Series 2025 Loan relating to the Series 2025B Bonds and substantially in the form of Exhibit D attached hereto, which, by this reference thereto, is incorporated herein.

"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.

"Shortfall Periods" means certain periods of time (e.g. summer months and periods of time between completion of construction and stabilization of the Project) when the Revenues may be inadequate to pay all of the Expenses.

"State" means the State of Florida.

"Surplus Fund" means the Fund of that name created in Section 510 of the Indenture.

"Tax Agreement" with respect to the Series 2025 Bonds, means the Tax Certificate and Agreement dated June __, 2025, by and among the Issuer, the Borrower and the Corporation.

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

"Tax-Exempt Organization" means a Person organized under the laws of the United States of America or any state thereof (i) that is an organization described in Section 501(c)(3) of the Code, (ii) that is exempt from federal income taxes under Section 501(a) of the Code, and (iii) unless a Favorable Opinion of Bond Counsel shall be delivered to the Issuer and the Trustee, that is not a "private foundation," within the meaning of Section 509(a) of the Code.

"Temporary Housing Services" means the provision of residential housing for students of the University who are a party to an Occupancy Agreement (as defined in the Residential Management Agreement) who are unable to occupy the Series 2025 Building as a certificate of occupancy has not yet been issued.

"Trustee" means the trustee and any co-trustee at the time serving as such under the Indenture. Hancock Whitney Bank, a Mississippi state banking corporation, is the initial Trustee.

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deposit and bankers' acceptances, means the face amount thereof, plus accrued interest; (iv) with respect to agreements described in items (xi) and (xii) of the definition of Permitted Investments that permit the Borrower to withdraw amounts invested thereunder at any time without penalty, the amount available to be withdrawn therefrom; and (v) with respect to any investment not specified above, means the value thereof established by prior agreement between the Issuer and the Borrower.

Section 1.02. Rules of Construction. For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(b) The term "this Loan Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

(c) All references in this instrument to designated "Articles," "Sections," "subsections," "paragraphs," "clauses," and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses, and other subdivisions of this instrument.

(d) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(e) The words "*herein*," "*hereby*," "*hereunder*," "*hereof*," "*hereinaabove*," "*hereinafter*," and other equivalent words and phrases refer to this Loan Agreement and not solely to the particular portion hereof in which any such word is used.

(f) All references to times of the day shall, unless otherwise stated, be deemed to be references to eastern time (daylight or standard, as applicable).

Section 1.03. Table of Contents; Titles and Headings. The table of contents, the titles of the articles, and the headings of the sections of this Loan Agreement are solely for convenience of reference, are not a part of this Loan Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

ARTICLE II REPRESENTATIONS AND UNDERTAKINGS

Section 2.01. Representations of the Issuer. The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) **Organization and Authority.** The Issuer is a political subdivision of the State (with the power of a "local agency" under the Act). The Issuer has all requisite power and authority under the Act to (i) issue the Bonds, (ii) lend the proceeds of the Series 2025 Bonds to the Borrower, and (iii) enter into, perform its obligations under, and exercise its rights under the Issuer Documents. The Act authorizes the Issuer to issue its revenue bonds for the purpose of providing funds to finance student housing, dining, recreation and parking facilities.

(b) **Pending Litigation.** To the best of its knowledge, there are no actions, suits, proceedings, inquiries, or investigations pending or threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal that involve the possibility of materially and adversely affecting the transactions contemplated by any of the Issuer Documents or that, in any way, would adversely affect the validity or enforceability of the Series 2025 Bonds, the Issuer Documents, or any agreement or instrument to which the Issuer is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Issuer aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding.

(c) **Issue, Sale, and Other Transactions Are Legal and Authorized.** The issuance and sale of the Series 2025 Bonds, the execution and delivery by the Issuer of the Issuer Documents, the endorsement of the Series 2025 Notes to the order of the Trustee, and the compliance by the Issuer with all of the provisions of each thereof and of the Series 2025 Bonds (i) are within the purposes, powers, and authority of the Issuer, (ii) have been done in full compliance with the provisions of the Act, have been approved by the Issuer, are legal, and will not conflict with, or constitute on the part of the Issuer a violation of, or a breach of, or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Issuer under, the provisions of any charter instrument; bylaw; indenture; mortgage; deed of trust; pledge, note, lease, loan, or installment sale agreement; contract; or other agreement or instrument to which the Issuer is a party or by which the Issuer or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties, and (iii) have been duly authorized by all necessary corporate action on the part of the Issuer.

(d) **Governmental Consents.** To the best of its knowledge, neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Series 2025 Bonds is such as to require the consent, approval, permission, order, license, authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Issuer Documents; the endorsement of the Series 2025 Notes to the order of the Trustee; the consummation of any transaction therein contemplated; or the offer, issue, sale, or delivery of

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Bonds to be, and to remain, excluded from the gross income of the Owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.02. Representations of the Borrower. The Borrower makes the following representations and warranties as of the date hereof, as the basis for the undertakings on its part herein contained:

(a) **Organization and Power.** The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted. The Corporation is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Georgia and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(b) **Pending Litigation and Taxes.** There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Borrower or the Corporation, the ability of the Borrower to perform its obligations under any of the Borrower Documents, or the transactions contemplated by any of the Bond Documents; or that, in any way, would adversely affect the validity or enforceability of the Borrower Documents or any agreement or instrument to which the Borrower or the Corporation is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Borrower aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. The Borrower is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Borrower have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) **Agreements Are Legal and Authorized.** The execution and delivery by the Borrower of the Borrower Documents, the consummation of the transactions herein and therein contemplated, and the fulfillment of or the compliance with all of the provisions hereof and thereof (i) are within the power, legal right, and authority of the Borrower, (ii) are legal and will not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Borrower under

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the Series 2025 Bonds, except as shall have been obtained or made and as are in full force and effect, other than the recording of the Leasehold Mortgage and the filing of financing statements or instruments effective as financing statements perfecting the security interests created by the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements; provided, however, that no representation is made with respect to any federal or state securities or Blue Sky laws.

(e) **No Defaults.** To the knowledge of the Issuer, no Event of Default or Default Condition has occurred and is continuing. To the knowledge of the Issuer, after making due inquiry with respect thereto, the Issuer is not in default or violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) **No Prior Pledge.** Neither the Series 2025 Project, any of the Issuer Documents, the Series 2025 Notes, nor any of the payments to be received by the Issuer under this Loan Agreement or the Series 2025 Notes have been, or will be, mortgaged, pledged, or hypothecated by the Issuer in any manner or for any purpose or have been, or will be, the subject of a pledge, assignment, or grant of a security interest by the Issuer other than as provided in the Indenture or the other Bond Documents as security for the payment of the Bonds.

(g) **Disclosure.** The representations of the Issuer contained in this Loan Agreement and any certificate, document, written statement, or other instrument furnished to the Trustee or the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact relating to the Issuer and do not omit to state a material fact relating to the Issuer necessary in order to make the statements contained herein and therein relating to the Issuer not misleading. Nothing has come to the attention of the Issuer that would materially and adversely affect or in the future may (so far as the Issuer can now reasonably foresee) materially and adversely affect the ownership and operation of the Series 2025 Project or any other transactions contemplated by the Bond Documents that has not been set forth in the Preliminary Official Statement and the Official Statement or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Issuer prior to the date of delivery of the Preliminary Official Statement in connection with the transactions contemplated hereby.

(h) **Compliance with Conditions Precedent to the Issuance of the Series 2025 Bonds.** All acts, conditions, and things required to exist, happen, and be performed by the Issuer precedent to and in the execution and delivery by the Issuer of the Series 2025 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; and the issuance of the Series 2025 Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation.

(i) **Tax Compliance.** The Issuer hereby covenants and agrees to comply with all requirements of the Code and the Tax Agreement applicable to it, compliance with which subsequent to the issuance of the Series 2025 Bonds is necessary for interest on the Series 2025A

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the provisions of, any charter instrument; bylaw; indenture; mortgage; deed of trust; pledge, note, lease, loan, or installment sale agreement; contract; or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of the Borrower. The Borrower Documents are the valid, legal, binding, and enforceable obligations of the Borrower except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws related to or affecting Creditor's Rights, to the application of equitable principles, as to the extent of judicial discretion. The officer or officers of the Corporation executing the Borrower Documents are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Borrower.

(d) **Governmental Consents.** Neither the Borrower nor any of its business or properties, nor any relationship between the Borrower and any other Person, nor any circumstance in connection with the execution, delivery, and performance by the Borrower of its obligations under any of the Borrower Documents, or the offer, issue, sale, or delivery by the Issuer of the Series 2025 Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of the Borrower Documents, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Series 2025 Bonds, except as shall have been obtained or made and as are in full force and effect, except as are not currently obtainable, other than the recording of the Leasehold Mortgage and the filing of financing statements or instruments effective as financing statements perfecting the security interests created by the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements to be recorded and filed in connection therewith, and except as may be required under any federal or state securities or blue sky laws. To the knowledge of the Borrower, the Borrower will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the Borrower is legally required to obtain the same.

(e) **No Defaults.** To the knowledge of the Borrower, no Event of Default or Default Condition has occurred and is continuing. To the knowledge of the Borrower, the Borrower is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound. For purposes of this subsection (e), a default or violation shall be deemed "material" if it would adversely affect the ability of the Borrower to perform its obligations hereunder.

(f) **Compliance with Law.** To the knowledge of the Borrower, the Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its properties or to

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the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Borrower.

(g) Restrictions on the Borrower. The Borrower is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction that materially and adversely affects its business, properties, assets, operations, or condition (financial or otherwise). The Borrower is not a party to any contract or agreement other than the Bond Documents that restricts the right or ability of the Borrower to incur indebtedness for borrowed money or to enter into long-term leases.

(h) No Prior Pledge. The property to be encumbered by the Leasehold Mortgage and the Security Agreement has not been, and will not be, mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been, and will not be, the subject of a grant of a security interest by the Borrower other than as provided in the Leasehold Mortgage and the Security Agreement as security for its obligations under this Loan Agreement.

(i) Tax-Exempt Organization. As of the date of this Loan Agreement, (i) the Corporation is a Tax-Exempt Organization, (ii) the Corporation received a determination letter from the IRS (the "Determination Letter") to the effect that it is a Tax-Exempt Organization, (iii) the Corporation is in full compliance with all terms, conditions, and limitations, if any, contained in the Determination Letter, (iv) such status as a Tax-Exempt Organization has not been adversely modified, limited, or revoked, and (v) the facts and circumstances that formed the basis for the status of the Corporation, as represented to the IRS in the Corporation's application for the Determination Letter, either substantially exist for the Corporation or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code. The Corporation and the Borrower have conducted their operations and the Corporation has filed all required reports and documents with the IRS so as to maintain the Corporation's status as a Tax-Exempt Organization. The Corporation is organized and operated exclusively for religious, educational, and charitable purposes, and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder, or individual. The Corporation has received no notice or communication of any kind from the IRS directly or indirectly questioning its status under Section 501(c)(3) or indicating that the Corporation is being or will be audited with respect to such status other than the customary review at the end of its advance ruling period.

(j) Corporation is Sole Member. The Borrower is a single member limited liability company and the Corporation is the single member.

(k) No Pension Plans. The Borrower does not maintain; has not maintained; and is not a party to, and has not been a party to, any employee pension or benefit plan.

(l) Disclosure. The representations of the Borrower contained in the Borrower Documents and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower or the Corporation to the Issuer, the Trustee, or the Underwriter in

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(s) Nature of the Series 2025 Project. The Series 2025 Project is located wholly within the County and consists of a student housing facility useful in connection with the operation of the University. The Series 2025 Project constitutes an "educational facility" as defined in Section 159.27(22)(a), Florida Statutes. The proceeds from the sale of the Series 2025 Bonds shall only be expended upon a "cost" as defined in Sections 159.27(2) and 159.44(5), Florida Statutes.

ARTICLE III LOAN TO THE BORROWER; SECURITY; TITLE

Section 3.01. The Loan and the Notes. (a) The Issuer hereby agrees to lend to the Borrower, and the Borrower hereby agrees to borrow from the Issuer, the proceeds of the sale of the Series 2025 Bonds for the purposes of financing the Costs of the Project, funding interest on the Series 2025 Bonds during the period of construction of the Series 2025 Project, funding the Debt Service Reserve Fund for the Series 2025A Bonds, and paying the Issuance Costs in accordance with the terms and conditions of this Loan Agreement and the Indenture. The deposit of the proceeds of the sale of the Series 2025 Bonds as provided in Article VI of the Indenture shall constitute the loan of such proceeds from the Issuer to the Borrower. Such proceeds shall be applied as provided in Article VI of the Indenture. The Borrower shall repay the Series 2025 Loan as provided in Section 5.02 hereof.

(b) The Borrower's obligation to repay the Loan, together with premium, if any, and interest thereon, which is more fully described in Section 5.02 hereof under the caption "Basic Loan Payments," shall be evidenced by the Notes, which the Borrower hereby agrees to execute and deliver to the Issuer. The Borrower will duly and punctually pay the principal of, premium, if any, and interest on the Notes at the dates and the places and in the manner mentioned therein and herein, according to the true intent and meaning thereof and hereof. Notwithstanding any schedule of payments on the Notes set forth therein or herein, the Borrower shall make payments on the Notes and to be liable therefor at times and in amounts sufficient to pay when due all Debt Service Payments on all Bonds from time to time Outstanding under the Indenture.

Section 3.02. Security for Payments Under this Loan Agreement; Recording and Filing. (a) As security for the payments required to be made to the Issuer under this Loan Agreement and the Notes, the Borrower shall, prior to or contemporaneously with the execution and delivery of this Loan Agreement, execute and deliver the Leasehold Mortgage, the Management Contract, the Security Agreement, and the Assignment of Contracts and Agreements.

(b) The Leasehold Mortgage shall be recorded by the Borrower in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Trustee created by the Security Agreement in the accounts, chattel paper, documents, instruments, and general intangibles arising in any manner from the Borrower's operation of the

connection with the transactions contemplated hereby do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Issuer, to the Trustee, or to the Underwriter in writing that materially and adversely affects or in the future may (so far as the Borrower can now reasonably foresee) materially and adversely affect the lease of the Property, the ownership or operation of the Series 2025 Project, or the properties, business, operations, prospects, profits, or condition (financial or otherwise) of the Borrower or the Corporation, or the ability of the Borrower to perform its obligations under the Borrower Documents, or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by the Bond Documents that has not been set forth in the Official Statement or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Borrower prior to the date of delivery of the Official Statement in connection with the transactions contemplated hereby.

(m) Statutory Liens. To the knowledge of the Borrower, there are no mechanics' or materialmen's liens or other statutory liens on the Series 2025 Project, and no excavation or work of any character, kind, or description has been, or will be, commenced nor any material of any description for work on the Series 2025 Project delivered on or near the Property prior to the recording of the Leasehold Mortgage and the perfection of the security interest created thereby, except as the Trustee shall be advised in writing, and in the event the Trustee is so advised in writing of any work or deliveries, the Borrower will provide the Trustee with waivers of all liens with respect to such work or deliveries in such form as may be satisfactory to the Underwriter.

(n) Compliance. To the knowledge of the Borrower, the Series 2025 Project complies or will comply in all material respects with all currently applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Series 2025 Project.

(o) Utilities. To the knowledge of the Borrower, all utility services and facilities necessary for the operation of the Series 2025 Project for its intended purposes are or will timely be, available at the Property.

(p) Condemnation. To the knowledge of the Borrower, no condemnation or eminent domain proceeding has been commenced, is currently pending, or is threatened against the Series 2025 Project.

(q) Indenture. The Borrower has reviewed the terms of the Indenture and agrees to perform the duties and obligations imposed upon it thereby.

(r) Management Agreement. The Borrower has not entered into any management contract or other service contract relating to the Series 2025 Bonds or the Series 2025 Project that is not a Qualified Management or Service Agreement.

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Project and in the Equipment, the security interest of the Trustee created by the Assignment of Contracts and Agreements in the Development Agreement, and the security interest of the Trustee created by the Indenture in the Issuer's right, title, and interest in this Loan Agreement and the Notes and the revenues and amounts to be received and held hereunder and thereunder shall be perfected by the filing of financing statements or instruments effective as financing statements that fully comply with the State's Uniform Commercial Code or by the taking of possession of appropriate collateral. The Borrower further agrees that it will file, or cause to be filed, all necessary continuation statements within the time prescribed by the State's Uniform Commercial Code and the appropriate parties shall maintain possession of appropriate collateral in order to continue the security interests identified in this Section 3.02 to the end that the rights of the owners of the Bonds and the Trustee in the Project and the other collateral shall be fully preserved as against third party creditors of, or purchasers for value in good faith from, the Issuer or the Borrower and that the Borrower will provide the Trustee with notice of such filings at least ninety (90) days prior to any expiration thereof.

Section 3.03. Security for Payments Under the Bonds. As security for the payment of the Bonds, the Issuer shall execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Loan Agreement (except the Unassigned Rights) and the Notes, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, shall be assigned, shall be the subject of a grant of a first priority security interest to the Trustee and pledged as security for, among other things, the payment of the Bonds. The Borrower hereby consents to such assignment and pledge and grant of a first priority security interest and hereby agrees that its obligations to make all payments under this Loan Agreement shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Issuer. The Borrower further agrees that all Basic Loan Payments required to be made under this Loan Agreement shall be paid directly to the Trustee for the account of the Issuer. The Trustee shall have all rights and remedies herein accorded to the Issuer (except for Unassigned Rights), and any reference herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower herein contained.

Section 3.04. Warranty of Title. The Borrower warrants that (a) it has acquired the leasehold interest in the Property granted by the Ground Lease, (b) the Borrower is or will be the legal owner of all Equipment and the Building, and (c) the Project is to be and will be free from all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.05. Title Insurance. The Borrower shall, prior to or simultaneously with the issuance of the Series 2025 Bonds, deliver to the Trustee an ALTA leasehold mortgagee's title binder or policy of Leasehold Mortgage insurance issued by a title insurance company acceptable to the Underwriter in the face amount of at least the total aggregate par amount of

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the Series 2025 Bonds and naming the Trustee as insureds, as their interests may appear. The Borrower shall furnish, within the time limit specified in any binder, an original of a mortgagee's title policy of Leasehold Mortgage insurance issued by such title insurance company. The mortgagee's title policy shall insure that the Trustee has a valid first lien on the Borrower's leasehold interest in the real property described in Exhibit B to this Loan Agreement subject only to Permitted Encumbrances. There shall be deleted in such policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area, or other matters that would be disclosed by an accurate survey and inspection of the Property, for mechanics' and materialmen's liens, or for rights or claims of parties in possession and easements or claims of easements now shown by the public records. Such policy shall contain the standard zoning endorsement or in lieu of the standard zoning endorsement, the Borrower may provide an opinion of Independent Counsel or a PZA report as to the matters contained in the standard zoning endorsement (ALTA Form 3.0). Any Net Proceeds payable to the Borrower under such policy shall be subject to the lien of the Indenture, shall be paid to the Trustee and held by the Trustee in the Insurance Fund. Such Net Proceeds shall, at the Borrower's written direction (provided that no event of default has occurred and is continuing), be either (a) used to acquire or construct replacement or substitute property in the County for that to which title has been lost, or (b) deposited into the Redemption Fund and used to redeem Series 2025 Bonds in accordance with the provisions of Section 304(b) of the Indenture or, if the Series 2025 Bonds shall no longer be Outstanding, to redeem such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture.

Section 3.06. Borrower's Covenants Regarding Title. The Borrower shall protect, preserve, and defend its interest in the Project; appear and defend such interest in any action or proceeding affecting or purporting to affect the Project, the liens of the Leasehold Mortgage, the Security Agreement, or the Assignment of Contracts and Agreements thereon, or any of the rights of the Trustee thereunder; and pay on demand all costs and expenses incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, as described in Section 10.04 hereof, whether any such action or proceeding progresses to judgment and whether brought by or against the Trustee. The Trustee shall be reimbursed for any such costs and expenses in accordance with the provisions of Section 6.08 hereof. If the Borrower shall not take the action contemplated herein, the Trustee or the Issuer may, but shall not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums shall be an advance payable in accordance with Section 6.08 hereof.

Section 3.07. Environmental Condition of the Project and Indemnification. (a) The Borrower warrants and represents to the Issuer and the Trustee that, to the best of its knowledge:

(i) the Series 2025 Project is and at all times hereafter, will continue to be in full compliance with all Environmental Laws, as hereinafter defined, and

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(c) The Borrower's obligations hereunder to the Issuer and the Trustee shall not be limited to any extent by the term of the Bonds, and, as to any act or occurrence prior to payment in full and satisfaction of the Bonds that gives rise to liability hereunder, shall continue, survive, and remain in full force and effect notwithstanding payment in full and satisfaction of the Bonds and this Loan Agreement or foreclosure under the Leasehold Mortgage, or delivery of a deed-in-lieu of foreclosure.

(d) For purposes of this section, the term "Hazardous Materials" means petroleum, petroleum byproducts (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, and/or any hazardous substance or material, waste, pollutant, or contaminant, defined as such in (or for the purposes of) the Environmental Laws. "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 1613, the Resource Conservation and Recovery Act ("RCRA"), the Clean Air Act, as amended (42 U.S.C. §§7401 *et seq.*), the Clean Water Act, as amended (33 U.S.C. §§1251 *et seq.*), including all amendments to such Acts, or any federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree, regulating, or other legal requirement relating to the protection of human health or the environment, including, but not limited to, any requirement pertaining to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity) natural or synthetic gas, products, and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant, or contaminant, as may now or at any time hereafter be in effect.

ARTICLE IV ACQUISITION, CONSTRUCTION, FURNISHING, AND EQUIPPING OF THE PROJECT; ISSUANCE OF THE BONDS; INVESTMENT OF FUNDS

Section 4.01. Acquisition, Construction, Furnishing, and Equipping of the Series 2025 Project. (a) Promptly following the issuance and sale of the Series 2025 Bonds, the Borrower shall acquire the interest in the Property created by the Ground Lease, acquire and construct the Building, and acquire and install the Equipment therein. The Issuer hereby authorizes the Borrower to use the proceeds of the Series 2025 Bonds and other amounts deposited into the Construction Fund, if any, from time to time to acquire, construct, furnish, and equip the Series 2025 Project. The Borrower agrees (i) that it will exercise the foregoing authorizations given to it by the Issuer, (ii) that it will cause the Series 2025 Equipment to be acquired, and (iii) that the Series 2025 Project will be acquired and constructed in accordance with the Plans and Specifications and the proceeds of the Series 2025A Bonds will be expended within three (3) years from the Closing Date.

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(ii) (A) as of the date hereof except as disclosed in the Phase I Environmental Audit and Phase II Environmental Audit dated March 4, 2025 and April 4, 2025, respectively, by Langan Engineering and Environmental Services, LLC, there are no Hazardous Materials, as defined in subsection (d) of this Section, substances, wastes, or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in, or under the Series 2025 Project or used in connection therewith, or (B) the Borrower has fully disclosed to the Issuer, the University, the Underwriter, and the Trustee in writing the existence, extent, and nature of any such Hazardous Materials, substances, wastes, or other environmentally regulated substances that the Borrower is legally authorized and empowered to maintain on, in, or under the Series 2025 Project or used in connection therewith, and the Borrower has obtained and will maintain in full force and effect all licenses, permits, and approvals required with respect thereto, and is in full compliance with all of the terms, conditions, and requirements of such licenses, permits, and approvals. The Borrower further warrants and represents that it will promptly notify the Issuer, the University, and the Trustee in writing of any change in the nature or extent of any Hazardous Materials, substances, or wastes maintained on, in, or under the Series 2025 Project or used in connection therewith, and will transmit to the Issuer, the University, and the Trustee copies of any citations, orders, notices, or other material governmental or other communication received with respect to any other Hazardous Materials, substances, wastes, or other environmentally regulated substances affecting the Series 2025 Project. The Borrower warrants and represents that all work on the Series 2025 Project and activities of contractors, sub-contractors, consultants, or any other agent of the Borrower will also be in full compliance with all federal, state, and local environmental laws, regulations, and ordinances as cited above, and further warrants and represents that neither the Borrower nor its agents will engage in any management of solid or hazardous wastes at the Series 2025 Project other than in the ordinary course of the development, construction, use, management, or operation of the Series 2025 Project for its intended purpose and in compliance with Environmental Laws.

(b) The Borrower shall indemnify and hold the Issuer and the Trustee harmless from and against any and all damages (including natural resource damages), penalties, fines, claims, liens, suits, liabilities (including strict liabilities), costs (including clean-up, investigation, and monitoring costs), judgments, and expenses (including attorneys', consultants', or experts' fees and expenses of every kind and nature) suffered by or asserted against the Issuer or the Trustee as a direct or indirect result of any warranty or representation made by the Borrower in the preceding subsection being false or untrue in any respect or any requirement or liability under any Environmental Law, excluding violations of Environmental Laws due to the condition of the Real Property as of the date of the Ground Lease, including any law, regulation, or ordinance, local, state, or federal, that requires the investigation, monitoring, elimination, or removal of any Hazardous Materials, substances, wastes, molds, fungi, bacteria, infectious material, or other environmentally regulated substances.

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(b) The Borrower agrees that it will, at all times during the construction of the Series 2025 Project, maintain or cause the Developer and/or the Design-Builder to maintain 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 the Series 2025 Project on an "all risk of loss or damage basis," currently referred to as "special form," including coverage for soft costs and lost rents due to damage and destruction prior to completion in an amount not less than Maximum Annual Debt Service, including perils of fire, lightning, and all other risks covered by the extended coverage endorsement then in use in the State to the full replacement cost of the Series 2025 Project. Such policy or policies of insurance shall name the Issuer, the Borrower, the Trustee, and the University as insureds, as their respective interests may appear, and shall name the Trustee as mortgagee under the Standard New York Mortgagee Endorsement or an equivalent endorsement or loss payable provision providing that no act or omission by the named insured shall in any way prejudice the rights the Trustee thereunder, and all Net Proceeds received under such policy or policies by the Borrower or the Issuer shall be paid over to the Trustee and deposited into the Insurance Fund to be applied to the restoration and/or completion of the Series 2025 Project or to the redemption of Series 2025 Bonds in accordance with the provisions of Section 7.01 hereof. Moneys held by the Trustee in the Insurance Fund shall be invested and disbursed, from time to time, as provided in Section 7.04 hereof. In addition, the Borrower shall cause the Developer and/or the Design-Builder at all times during the construction of the Series 2025 Project to maintain (i) general liability insurance in an amount not less than that required to be maintained by the Borrower under Section 6.04 hereof and (ii) workers' compensation insurance as required by law. Said insurance policy or policies shall contain a provision that such insurance may not be canceled by the issuer thereof without at least thirty (30) days' advance written notice to the Issuer, the Borrower, and the Trustee. All such policies or copies thereof or certificates that such insurance is in full force and effect shall be delivered to the Trustee at or prior to the delivery of the Series 2025 Bonds.

(c) The Borrower further agrees that it will cause the Developer to require the Design-Builder to deliver to the Trustee performance and labor and material payment bonds that are listed in Exhibit L to the Development Agreement with respect to material portions of the Project as identified on Exhibit K to the Development Agreement, and in the full amount thereof, made by the Design-Builder as the principal and a surety company or companies, in form and content acceptable to the Borrower. Said bonds shall name the Issuer, the Borrower, the Trustee, and the University as the obligees, and all Net Proceeds received under said bonds shall become a part of and be deposited into the Construction Fund, or, if received after the Series 2025 Completion Date, shall be used to pay any obligation then owed by the Borrower under this Loan Agreement, and if any Net Proceeds remain, shall be paid to the Borrower and/or the University in accordance with written direction signed by the Borrower and the University and provided to the Trustee. Any amounts recovered by way of penalties or damages, whether liquidated or actual, for delays in completion by a contractor shall be deposited into the Bond Fund. The Borrower shall cause the Design-Builder to utilize Subcontractor Default Insurance for any subcontractor furnishing labor in connection with the construction of the Series 2025 Project that is not listed in Exhibit L to the Development Agreement.

(d) The Borrower shall construct the Series 2025 Project in accordance with the Plans and Specifications and the Construction Contracts and warrants that the construction of the Series 2025 Project in accordance with the Plans and Specifications will, when supplemented by the Equipment, result in a facility suitable for use by the Borrower as a student housing facility and related facilities and by the University as a dining facility, a health/recreation facility and a parking facility and that all real and personal property provided for therein is necessary or appropriate in connection with the Series 2025 Project. The Borrower may make changes in or additions to the Plans and Specifications for the Series 2025 Project; provided, however, changes in or additions to such Plans and Specifications that are material shall be subject to the prior written approval of the University and shall not result in additional cost for the Series 2025 Project.

(e) The Borrower shall not permit any mechanics' or materialmen's or other liens to be perfected or remain against the Series 2025 Project for labor or materials furnished in connection with the construction of the Series 2025 Project, provided that it shall not constitute an Event of Default upon such lien's being filed, if the Borrower shall promptly notify the Issuer and the Trustee of any such liens, and the Borrower shall in good faith promptly contest such liens; in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided the Borrower shall furnish the Trustee with a bond or cash deposit equal to at least the amount so contested, a title insurance endorsement, or an Opinion of Counsel stating that by nonpayment of any such items the liens of the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements as to any material part of the Series 2025 Project will not be materially and imminently endangered and neither the Series 2025 Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond, cash deposit, or title insurance endorsement may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or title insurance endorsement or such an Opinion of Counsel, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof. In the event the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an advance repayable in accordance with Section 6.08 hereof. The Borrower shall complete the acquisition and construction of the Series 2025 Project as promptly as practicable and with all reasonable dispatch.

Section 4.02. Agreement to Issue the Series 2025 Bonds; Application of Proceeds. In order to provide funds to pay the Costs of the Project, fund interest on the Series 2025 Bonds during the period of construction of the Series 2025 Project, fund the Debt Service Reserve Fund for the Series 2025A Bonds, and pay the Issuance Costs, the Issuer shall sell and cause to be delivered to the Underwriter the Series 2025 Bonds in the aggregate principal amount of \$ _____ and shall thereupon deposit the proceeds of the sale of the Series 2025 Bonds in accordance with the provisions of Article VI of the Indenture.

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submit to the Trustee a requisition for payment substantially in the form of Exhibit E-1 to the Indenture which shall be accompanied by (A) an application for payment in the form of American Institute of Architects Document G702, Application and Certificate for Payment (a "G702"), and American Institute of Architects Form G703, Continuation Sheets (a "G703") if the requisition shall relate to amounts to be paid to the Design-Builder or (B) an application for payment substantially in the form of a G702 and continuation sheets substantially in the form of a G703 if the requisition shall relate to amounts to be paid to the Developer.

(ii) The Developer shall approve each requisition for payment, and such approval shall constitute a certification to the Borrower and the Trustee that all work theretofore performed is in compliance with the Plans and Specifications and that all work and material for which payment is sought has been done and provided.

(iii) The Retainage (as defined in the Design-Build Agreement) (but in no event more than the balance in the Construction Fund less amounts retained or set aside to meet costs not then due and payable or that are being contested) under the Development Agreement, under the Design-Build Agreement, or under any other Construction Contract shall be disbursed by the Trustee only upon receipt of a requisition for payment substantially in the form of Exhibit E-2 to the Indenture after (1) with respect to the Design-Build Agreement, the Borrower, the Developer, or the Design-Builder shall have delivered to the Trustee a final certificate of occupancy or a temporary certificate of occupancy for the Building and other necessary operating permits, along with a certificate of the Architect that the same constitute all the certificates of approval necessary for operation of the Project, and, if applicable, and (2) with respect to the Design-Build Agreement, the Borrower shall have delivered to the Trustee a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Independent Engineer.

(e) Notwithstanding any other terms and provisions set forth herein, the Trustee may, in its discretion, make all disbursements or any disbursement directly to the Borrower (in accordance with paragraph (h)(iii) hereof), to the Developer, to the Design-Builder, to any contractor, or to any subcontractor, laborer, materialman, or Person furnishing labor, services, or materials used or to be used on or in the construction of the Project (including authorized extras) or to any combination of them. Any such disbursement shall be deemed to have been made to the Borrower or for its account.

(f) The execution of each Application and Certificate for Payment submitted for disbursements relating to Construction Costs by the Borrower shall constitute the certification, warranty, and agreement of the Borrower as follows:

(i) the Project is free and clear of all liens and encumbrances, except Permitted Encumbrances;

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Section 4.03. Construction Fund. (a) The Issuer shall, in the Indenture, authorize and direct the Trustee to use the moneys in the Construction Fund to pay for the Costs of the Project.

(b) Each payment from the Construction Fund shall be made by the Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Borrower upon the recommendations (if such requisition is for Non-Construction Costs) or approval (if such requisition is for Construction Costs) of the Independent Engineer, to the payee shown on the disbursement request, upon receipt by the Trustee of an application for payment that on its face appears to be in compliance with the requirements of this Section, and the Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized and shall not be required to confirm or otherwise investigate any factual statements made therein. The Borrower hereby covenants and agrees to indemnify and save harmless the Issuer and the Trustee and their respective officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment, which indemnification shall survive the Loan Agreement Term.

(c) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the applicable conditions for disbursements set forth in this Section 4.03, the Trustee shall disburse sums in the Construction Fund to the Borrower or to the appropriate payee for Non-Construction Costs in one or more disbursements in accordance with the following procedures:

(i) Not less than ten (10) Business Days before the date on which the Borrower desires a disbursement (other than the requisition undertaken upon the issuance of the Series 2025 Bonds), but not more frequently than monthly, the Borrower shall submit to the Trustee a requisition for payment substantially in the form of Exhibit D to the Indenture, which shall be accompanied by a detailed itemization of Non-Construction Costs, and the accuracy of such cost and fee itemization shall be certified by the Borrower. The requisition must be signed by the Authorized Borrower Representative.

(ii) A disbursement request for Non-Construction Costs submitted in accordance with the foregoing procedure need not comply with, and shall not be subject to the requirements of, subsections (d), (g), or (h) of this Section 4.03.

(d) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the conditions for disbursements set forth in this Section 4.03, the Trustee shall disburse sums in the Construction Fund to the Borrower, to the Developer under the Development Agreement, or to the appropriate contractor under the Construction Contracts for Construction Costs in several disbursements in accordance with the following procedures:

(i) Not less than ten (10) Business Days before the date on which the Borrower desires a disbursement, but not more frequently than monthly, the Borrower shall

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(ii) all evidence, statements, and other writings required to be furnished under the terms of this Loan Agreement and the Indenture are true and omit no material fact the omission of which may make them misleading;

(iii) all moneys previously disbursed have been used solely to pay for costs allowed by this Loan Agreement, and the Borrower has written evidence to support this item of warranty;

(iv) none of the items for which payment is requested has formed the basis for any payment previously made from the Construction Fund;

(v) all bills for labor, materials, and fixtures used, or on hand and to be used, in the construction of the Project have been paid, and no Person is asserting a lien with respect thereto, except Permitted Encumbrances;

(vi) such Application and Certificate for Payment contains no items representing payment of any amount constituting Issuance Costs;

(vii) the payment of such requisition, together with the payment of all prior requisitions, will not result in more than five percent (5%) of the proceeds of any Series of Tax-Exempt Bonds being used directly or indirectly in any trade or business carried on by any Person that is not a Tax-Exempt Organization or a Governmental Person or in any unrelated trade or business of a Tax-Exempt Organization;

(viii) the amount remaining in the Construction Fund after the payments of such requisition plus expected earnings thereon are sufficient to pay the remaining Costs of the Project; and

(ix) no Event of Default has occurred and is continuing.

(g) The Borrower covenants and agrees that, upon the request of the Trustee, it shall furnish the Trustee with evidence that is reasonably satisfactory to the Trustee (including, but not limited to, certificates and affidavits of the Borrower and/or the Developer or any contractor or such other person as the Trustee may reasonably require) showing (i) the value of construction existing at that time, (ii) that all outstanding claims for labor, materials, fixtures, furnishings, equipment, and other work have been paid or provided for in accordance with the requirements of this Loan Agreement, (iii) that there are no liens outstanding or unpaid other than Permitted Encumbrances, (iv) that the Borrower has substantially complied with all of the Borrower's obligations hereunder and under the Indenture, (v) that all construction has been done in accordance with the Plans and Specifications, (vi) that the performance and labor and material payment bonds required by Section 6.01 of this Loan Agreement are in full force and effect, and (vii) that no Event of Default has occurred and is continuing.

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(h) The Trustee shall not make any disbursement from the Construction Fund unless each and all of the conditions precedent set forth below shall have been met and complied with in full:

(i) at the time of each disbursement the Trustee shall not have or be deemed to have notice of an Event of Default that has occurred and is continuing, as provided in Section 1101(h) of the Indenture; and

(ii) at the time each disbursement is made pursuant to this Section 4.03 as a reimbursement to the Borrower, the Borrower shall deliver to the Trustee evidence satisfactory to the Trustee of prior payment by the Borrower to the appropriate contractor or supplier under the Construction Contracts or other person of the amount then and therefore approved for payment.

(i) If sufficient liquid funds shall not be available to the Trustee at the time of presentment of an Application and Certificate for Payment due to the particular form of Construction Fund investments or a lack of funds, payment of such Application and Certificate for Payment shall be delayed until liquid funds or additional funds sufficient to satisfy the requirements of this Section 4.03 shall have been received by the Trustee.

Section 4.04. Establishment of Completion Date. The Series 2025 Completion Date shall be evidenced to the Trustee by a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and the Developer and approved by the Independent Engineer stating that, except for amounts retained by the Trustee for Costs of the Project not then due and payable as provided in Section 4.03 hereof and except for any Retainage (as defined in the Design-Build Agreement), (a) construction of the Series 2025 Project has been completed substantially in accordance with the Plans and Specifications and all labor, services, materials, and supplies used in such construction have been paid or provided for, (b) all other facilities necessary in connection with the construction of the Series 2025 Project have been constructed, acquired, and installed substantially in accordance with the Plans and Specifications, and all costs and expenses incurred in connection therewith have been paid or provided for, (c) according to the "as built" survey of the Premises or a certificate of the surveyor, the Series 2025 Project does not encroach on any other property or violate any setback or sideline requirements applicable to the Property, and (d) a certificate of occupancy for the Series 2025 Project has been issued by appropriate local governmental authorities, if applicable. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being, and (c) all lien waivers relating to the Project have been received. The Developer and the Independent Engineer shall certify the matters covered by (a) and (b) above. It shall be the duty of the Borrower to cause the certificate contemplated by this Section to be furnished as soon as the construction of the Series 2025 Project shall have been substantially completed.

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Surplus Fund, or the Rebate Fund, (to the extent such funds are invested) or the trust account described in the preceding subsection, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited as provided in Section 702 of the Indenture, and any losses resulting from such investments shall be charged to such Fund.

(d) The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

(e) The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Trustee shall furnish to the Issuer on request of the Issuer, and to the Borrower periodic statements that include detail of all investment transactions made by the Trustee.

(f) The Borrower acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and acknowledges that the Borrower will receive periodic cash transaction statements that detail all investment transactions. Unless contrary to written investment directions previously submitted to the Trustee, an account statement delivered by the Trustee to the Borrower shall be deemed written confirmation by the Borrower that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Borrower, unless the Borrower shall notify the Trustee in writing to the contrary within thirty (30) days after the date of such statement.

(g) The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer shall be required or permitted by the provisions of the Indenture.

Section 4.08. Special Investment Covenants; Compliance with Code. The Issuer and the Borrower each covenant that it shall not directly or indirectly use or permit the use of any proceeds (as defined in the Regulations) of any issue or any other funds of the Issuer or the Borrower, or take or omit to take any action, or direct the Trustee to invest any funds held by it, in such manner as will cause any Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any Regulations proposed or promulgated in connection therewith or to be "federally guaranteed," as such term is used and defined in Section 149(b) of the Code and any Regulations proposed or promulgated in connection therewith. To that end, the Issuer and the Borrower shall comply with all requirements of Section 148 of the Code to the extent applicable to any Tax-Exempt Bonds. In the event that at any time the Issuer or the Borrower shall be of the opinion that for purposes of this Section 4.08 it is necessary to dispose of any investment or to restrict or limit the yield on any investment held under the Bond

Section 4.05. Borrower Required to Pay Costs of the Project if Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the Costs of the Project shall not be sufficient to pay the costs thereof in full, the Borrower shall complete the acquisition and construction of the Project and pay, or cause the Developer to pay, all that portion of the Costs of the Project as may be in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys that will be deposited into the Construction Fund and that, under the provisions of this Loan Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs that will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Construction Fund the Borrower shall pay, or cause the Developer to pay, any portion of the said Costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the owners of any of the Bonds, nor shall it be entitled to any diminution of the Loan Payments. The obligation of the Borrower to complete the construction of the Project shall survive any termination of this Loan Agreement.

Section 4.06. Authorized Borrower and Issuer Representatives and Successors. The Borrower and the Issuer, respectively, shall designate, in the manner prescribed in Section 1.01 hereof, the Authorized Borrower Representative and the Authorized Issuer Representative. In the event that any person so designated and such person's alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Loan Agreement, a successor shall be appointed in the same manner.

Section 4.07. Investment of Funds and Accounts. (a) Subject to Article VII of the Indenture and Section 4.08 hereof, any moneys held as a part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, or the Rebate Fund or as reserves in connection with contested liens or any other special trust funds shall be (i) invested or reinvested by the Trustee at the written (or oral confirmed in writing) direction of the Authorized Borrower Representative in such Permitted Investments as may be designated by the Borrower, which designation shall not contain directions contrary to State law, the Tax Agreement, or Section 701 of the Indenture or (ii) transferred to other Funds or Accounts as provided in Article VII of the Indenture.

(b) The Trustee shall not be liable for any depreciation in the Value of any obligations in which moneys of funds or accounts held under the Indenture shall be invested, as aforesaid, or for any loss arising from any investment or for any investment that does not comply with State law.

(c) The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Revenue Fund, the Redemption Fund, the Bond Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the

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Documents or otherwise, the Issuer or the Borrower, as the case may be, shall so instruct the Trustee in writing.

The Borrower covenants and agrees that it will take or cause to be taken all required actions necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds; and the Issuer covenants and agrees that it will take or cause to be taken all required actions to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds.

ARTICLE V LOAN AGREEMENT TERM; LOAN PAYMENTS AND OTHER AMOUNTS PAYABLE; NATURE OF OBLIGATIONS OF THE BORROWER

Section 5.01. Loan Agreement Term. This Loan Agreement shall become effective upon its execution and delivery and shall be in full force and effect until all obligations under the Indenture shall have been paid in full (or provision for such payment shall have been made as provided in Article IX of the Indenture); provided, however, that the covenants and obligations expressed herein to so survive shall survive the Loan Agreement Term.

Section 5.02. Loan Payments and Other Amounts Payable. (a) Basic Loan Payments: (i) Until the Debt Service Payments on the Bonds shall have been paid in full or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower shall pay to the Trustee for the account of the Issuer as Basic Loan Payments, in each case for deposit into the Bond Fund, amounts sufficient to pay the Debt Service Payments on the Bonds as and when the same shall become due in accordance with the provisions of Section 501 (b) of the Indenture together with all other sums payable under the terms of the Bonds.

(b) Additional Loan Payments: (i) The Borrower shall pay (A) to the Trustee until the Debt Service Payments then due on the Bonds shall have been paid in full (1) for deposit into the Operating Account to pay Expenses (other than those, if any, to be paid from the Surplus Fund in accordance with Section 510 of the Indenture), for which payment has not previously been made or otherwise arranged for, an amount required by Section 501 (a) of the Indenture, (2) for deposit into the Repair and Replacement Fund, commencing on July 20, 2028, and on the twentieth (20th) day of each month thereafter one-twelfth (1/12) of the amounts scheduled on Exhibit B attached to the Indenture, which, by this reference thereto, is incorporated herein, as "Scheduled Payments to the Repair and Replacement Fund," and any and all additional amounts required to be deposited therein by any amendment or amendments hereto executed in connection with the issuance of Additional Bonds on the dates set forth therein, (3) for deposit into any Fund or Funds created under the Indenture or any supplemental indenture or indentures executed in connection with the issuance of Additional Bonds other than the Repair and Replacement Fund, the Operations Contingency Fund, and the Surplus Fund, any and all additional amounts required to be deposited into such Fund or Funds by any amendment or amendments hereto executed in connection with the issuance of Additional Bonds on the dates set forth therein, (4) for deposit into the Rebate Fund any amount required to be deposited

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therein pursuant to Section 8.12 hereof, (5) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, and the Ordinary Expenses of the Trustee incurred, under the Indenture, as and when the same shall become due, (6) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture, as and when the same shall become due, and (7) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it, and the Extraordinary Expenses of the Trustee incurred by it, under the Indenture, as and when the same shall become due; provided, that the Borrower may, without creating an Event of Default, 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, and (B) to the Issuer, an amount sufficient to reimburse the Issuer for all expenses incurred by it hereunder in connection with the Bonds and the Project, or the later, audit, inquiry, investigation, modification, amendment or interpretation of the Bonds or the Project, if any, including, but not limited to, the fees and expenses of counsel for the Issuer and Bond Counsel, fees and expenses for any advisor or any rebate consultant or analyst retained by the Issuer as a result of the Borrower's failure to comply with the provisions of Section 8.12 hereof, any expenses incurred as a result of any audit relating to the Bonds.

(ii) Such Additional Loan Payments shall be billed to the Borrower by 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 shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower.

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

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

(c) Reserve Loan Payments: The (i) 2025 Senior Account of the Debt Service Reserve Fund will be funded in an amount equal to the Senior Debt Service Reserve Requirement for the purpose of paying Debt Service Payments on the Series 2025A Bonds and on any Additional Senior Bonds as the same become due and (ii) the 2025 Subordinate Account of the Debt Service Reserve Fund will be funded in an amount equal to the Subordinate Debt Service Reserve Requirement for the purpose of paying Debt Service Payments on the Series 2025B Bonds and on any Additional Subordinate Bonds as the same become due in the event there are insufficient funds for said purpose in the Bond Fund, the Redemption Fund, the Repair and Replacement

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Additional Bonds, terminate its obligations under any of the Borrower Documents for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Borrower to occupy or to use the Project as contemplated in this Loan Agreement or otherwise, any change or delay in the time of availability of the Project, any acts or circumstances that may impair or preclude the use or possession of the Project, any defect in the title, design, operation, merchantability, fitness, or condition of the Project or in the suitability of the Project for the Borrower's purposes or needs, failure of consideration, any declaration or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of this Loan Agreement or any of the other Bond Documents, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision or agency of either or in the rules or regulations of any governmental authority, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement.

Section 5.05. Repair and Replacement Fund Certification. At least every five (5) years following the Series 2025 Completion Date, the Borrower shall file with the Trustee a certification accompanied by a written report of an Independent Engineer relating to the adequacy of the deposits in the Repair and Replacement Fund and the condition of the Series 2025 Project on a forward looking basis taking into account capital expenditures that may be needed during the next ten (10) years which shall state the Independent Engineer's recommendation as to the amount of any adjustment needed to the Repair and Replacement Fund. The amounts required to be deposited into the Repair and Replacement Fund shall be subject to adjustment upward or downward if so recommended by the Independent Engineer, and if so adjusted, the Borrower shall provide the Issuer and the Trustee with a revised Exhibit B to the Indenture which revised Exhibits shall, from and after the date of such recommendation, be deemed and treated as a permitted amendment hereto and a permitted supplement to the Indenture, respectively.

ARTICLE VI MAINTENANCE, TAXES, AND INSURANCE

Section 6.01. Maintenance and Modification of Project by the Borrower. (a) The Borrower agrees that during the Loan Agreement Term it shall at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit, (ii) keep the Building and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, subject to the provisions of Section 6.02 hereof, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and cause the Equipment to be maintained in accordance with the manufacturer's then currently published standard

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Fund and the Surplus Fund, unless provision for their payment in full is duly made. In the event any amounts from either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund are withdrawn or if there is a diminution in Value of the cash and investments held in either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund as of any Valuation Date, or if any net losses result from the investment of amounts held in either the 2025 Senior Account of the Debt Service Reserve Fund or the 2025 Subordinate Account of the Debt Service Reserve Fund that will reduce the Value of the cash and investments held in either such fund to less than the applicable Debt Service Reserve Requirement as of any Valuation Date, the Borrower will, beginning on the 20th day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses, and on the 20th day of each month thereafter, in addition to any other Loan Payments that may be due, make 12 consecutive monthly payments as Reserve Loan Payments to the Trustee for deposit into the appropriate Debt Service Reserve Fund, each equal to 1/12th of the amount of such withdrawal, diminution in Value, or losses, in all instances necessary to restore such Debt Service Reserve Fund to the appropriate Debt Service Reserve Requirement.

(d) Credit for Transfers and Deposits Under the Indenture: The Borrower shall receive a credit against its obligation to make the Loan Payments under this Section 5.02 to the extent of all sums that are transferred to any Person or deposited to any Fund or Account in accordance with the provisions of Section 501 or 509(c) of the Indenture.

(e) Operations Contingency Fund Deposits: The Borrower shall cause the Operations Contingency Fund to be maintained at the Operations Contingency Fund Required Balance as further described in Section 509(d) of the Indenture.

Section 5.03. Agreement To Deposit Pledged Revenues. As security for its obligation to make the Loan Payments, the Borrower hereby agrees to deliver or cause to be delivered to the Trustee within ten (10) days of the end of each month, for deposit to the Revenue Fund, all Pledged Revenues received by it or submitted by the Residential Manager and the University, in the form of cash, checks, or negotiable instruments; provided, however, that if an Event of Default shall have occurred and shall be continuing, the Borrower shall deliver, or cause to be delivered, all such Pledged Revenues daily.

Section 5.04. Nature of Obligations of the Borrower Hereunder. The obligations of the Borrower to make the payments required in Section 5.02 hereof and other Sections hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Borrower and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Issuer or the Trustee. The Borrower agrees that it will not (i) suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.02 hereof, (ii) fail to observe any of its other agreements contained in the Borrower Documents, or (iii) except as provided in Sections 11.01, 11.02, and 11.03 hereof or in any amendment or amendments hereto executed in connection with the issuance of

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maintenance contract and recommendations. The Borrower may, also at its own expense, from time to time make any Additions or Alterations to the Project that it may deem desirable for its business purposes and that do not, in the opinion of an Independent Engineer filed with the Trustee, adversely affect the operation or value of the Project, provided, that the opinion of an Independent Engineer shall only be required in the case of material Additions or Alterations, as hereinafter defined. Additions or Alterations to the Project so made by the Borrower shall be on the Property, shall become a part of the Project, and shall become subject to the lien and security interest of the Leasehold Mortgage and the Security Agreement. Such Additions or Alterations that cost in excess of One Million Dollars (\$1,000,000) shall be made only by contractors that furnish performance and labor and material payment bonds in the full amount of such contracts, made by the contractor thereunder as the principal and a surety company or companies not unacceptable to the Trustee as surety, and such surety bonds shall be in substantially the same forms delivered in connection with the issuance of the Series 2025 Bonds. Such surety bonds shall name the Borrower, the Issuer, and the Trustee as obligees, and all Net Proceeds received under such bonds shall be paid over to the Trustee and deposited into the Insurance Fund to be applied to the completion of the Additions or Alterations to the Project. Such money held by the Trustee in the Insurance Fund shall be invested from time to time, as provided in Section 4.07 hereof.

(b) The Borrower shall execute a conditional assignment directing the architect who has prepared any Plans and Specifications for any "material" Additions or Alterations to make available to the Trustee a complete set of the Plans and Specifications, which assignment shall be effective only upon the occurrence of an Event of Default. All Construction Contracts executed by the Borrower for construction of any "material" Additions or Alterations shall contain a provision that, or by separate agreement such contractors shall agree that, upon the occurrence of an Event of Default, said contracts with the contractors and/or sub-contractors shall be deemed assigned to the Trustee should the Trustee so direct. The Borrower covenants to include such conditional assignments in all material contracts and subcontracts executed for work to be performed on the Property. For purposes of this Section 6.01, the term "material" means any Addition or Alteration or contract having a cost of more than Five Hundred Thousand Dollars (\$500,000).

(c) The Borrower further agrees that at all times during the construction of Additions or Alterations that cost in excess of One Million Dollars (\$1,000,000), it shall maintain or cause to be maintained in full force and effect builder's risk - completed value form insurance to the full insurable value of such Additions or Alterations. The Borrower shall not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any Additions or Alterations so made by it, provided that it shall not constitute an Event of Default upon such lien's being filed if the Borrower shall promptly notify the Trustee of any such liens and the Borrower shall in good faith promptly contest such liens; in such event, the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided the Borrower shall furnish the Trustee with a bond or cash deposit equal to at least the amount so contested, which, in the case of cash, shall be placed into an

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account with the Trustee and held and invested as provided in Section 4.07 hereof for the purposes stated in this subsection (c), or with an Opinion of Counsel stating that by nonpayment of any such items, the lien and security interest of the Leasehold Mortgage and the Security Agreement will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to the Borrower if the lien shall be successfully contested. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or such an Opinion of Counsel, or to satisfy and discharge the lien, the Issuer or the Trustee may, but shall be under no obligation to, satisfy and discharge the lien by payment thereof or provide security that shall cause the claimant to release the lien against the Project, and all amounts so paid by the Issuer or the Trustee shall be treated as an advance to the Borrower repayable in accordance with Section 6.08 hereof.

(d) The Borrower shall not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower shall have first procured and paid for all requisite municipal and other governmental permits and authorizations. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of this Article VI.

Section 6.02. Removal of Equipment. (a) If no Event of Default under this Loan Agreement shall have occurred and be continuing, in any instance where the Borrower in its discretion shall determine that any items of Equipment or any portion thereof shall have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or portion thereof from the Property and sell, trade-in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer or the Trustee therefor, provided that the Borrower shall either:

(i) substitute and install anywhere in the Building or on the Property items of replacement equipment or related property having equal or greater value or utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, provided such removal and substitution shall not impair the nature of the Series 2025 Project, all of which replacement equipment or related property shall be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances), shall become subject to the lien and security interest of the Leasehold Mortgage and the Security Agreement, and shall be held by the Borrower on the same terms and conditions as the items originally constituting Equipment, or

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accordance with the provisions of the Indenture. The Borrower shall not remove, or permit the removal of, any of the Equipment from the Building or the Property except in accordance with the provisions of this Section 6.02.

Section 6.03. Taxes, Other Governmental Charges, and Utility Charges. (a) The Borrower shall pay, as the same become due, (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project that, if not paid, will become a lien on the Project prior to or on a parity with the lien and security interest of the Leasehold Mortgage and the Security Agreement or a charge on the Pledged Revenues prior to or on a parity with the charge and security interest thereon and the pledge or assignment thereof created and made in the Security Agreement and including all *ad valorem* taxes or payments in lieu of such taxes lawfully assessed upon the Project, (ii) all utility and other charges incurred in the ownership, operation, maintenance, use, occupancy, and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the Loan Agreement Term.

(b) If the Borrower shall first notify the Trustee of its intention so to do, the Borrower may, at its own expense and in good faith, contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided the Borrower shall furnish the Trustee with a bond or a cash deposit equal to at least the amount so contested plus any interest or penalties that might be payable as a result of any late payment, which, in the case of cash, shall be placed into an account with the Trustee and held for the purposes stated in this subsection (b), or an Opinion of Counsel stating that by nonpayment of any such items, the lien and security interest of the Leasehold Mortgage and the Security Agreement will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of such bond or cash deposit may be used by the Trustee to satisfy the lien if action shall be taken to enforce the lien and such action shall not be stayed. Such bond or cash deposit shall be returned to the Borrower if the taxes, assessments, or other charges shall be successfully contested. If the Borrower shall be unable or shall otherwise fail to obtain such a bond or provide such a cash deposit or such Opinion of Counsel, such taxes, assessments, or charges shall be promptly satisfied and discharged by payment thereof.

Section 6.04. Insurance Required. In addition to the insurance required by Section 4.01(b) hereof, throughout the Loan Agreement Term, the Borrower shall keep the 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, if available at commercially reasonable rates or as recommended by an Insurance Consultant, as more fully described on Exhibit E hereto.

(ii) not make any such substitution and installation, unless in the case of: (A) the sale of any such Equipment, (B) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment or to become subject to the lien and security interest of the Leasehold Mortgage and the Security Agreement, or (C) any other disposition thereof, the Borrower shall pay to the Trustee the proceeds of such sale or disposition or an amount equal to the credit received upon such trade-in for deposit into the Redemption Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to an Affiliate of the Borrower, the Borrower shall pay to the Trustee an amount equal to the greater of the amounts and credits received therefor or the fair market value thereof at the time of such sale, trade-in, or other disposition for deposit into the Redemption Fund.

All amounts deposited into the Redemption Fund pursuant to the provisions of this Section shall be used to redeem all or a portion of the Bonds issued to finance or refinance the acquisition of such inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Equipment or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture. Except to the extent that amounts are deposited into the Redemption Fund, the removal from the Project of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Borrower to any postponement, abatement, or diminution of the Basic Loan Payments payable under Section 5.02 hereof.

(b) In the event that prior to such removal and disposition of items of Equipment from the Building and the Property, the Borrower shall have acquired and installed machinery, furnishings, equipment, or related property with its own funds that become part of the Equipment and subject to the lien and security interest of the Leasehold Mortgage and the Security Agreement and that have equal or greater utility (but not necessarily the same function) as the Equipment to be removed, the Borrower may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value (but not necessarily the same function) or that it make payment to the Trustee for deposit into the Redemption Fund.

(c) The Borrower shall report promptly to the Trustee each such removal, substitution, sale, or other disposition and shall pay to the Trustee such amounts as are required by the provisions of the preceding subsection (a) of this Section to be deposited into the Redemption Fund promptly after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be deposited into the Redemption Fund on account of all such sales, trade-ins, or other dispositions not previously reported shall equal, in the aggregate, at least One Hundred Thousand Dollars (\$100,000) in any Annual Period. All amounts deposited into the Redemption Fund pursuant to this Section 6.02 as a result of the sale, trade-in, exchange, or other disposition of Equipment shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such Equipment or, if such Bonds are no longer Outstanding, the redemption of such other Bonds as may be directed by the Borrower in

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Section 6.05. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of subsections (a), (e), and (g) of Exhibit E hereto shall be paid and applied as provided in Section 7.01 hereof, and the Net Proceeds of insurance carried pursuant to the provisions of subsections (c), (d) and (i) of Exhibit E hereto shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid. The Net Proceeds of the insurance carried relating to business interruption as required by subsection (b) of Exhibit E hereto, in an amount up to the amount equal to the Senior Debt Service Reserve Requirement on the Senior Bonds (including any Mandatory Sinking Fund Redemption Requirement) for the succeeding twelve (12) month period, shall be deposited into the Bond Fund and used as provided in Section 502 of the Indenture and the balance shall be deposited in to the Revenue Fund.

Section 6.06. Additional Provisions Respecting Insurance. All insurance required by Exhibit E pursuant to Section 6.04 hereof shall be taken out and maintained in generally recognized responsible insurance companies qualified to do business in the State, that may include "captive" insurance companies or governmental insurance pools, and if from a commercial carrier that have a rating of "A-VII" or better by the latest Best Insurance Report. Notwithstanding the foregoing, the Borrower shall be permitted to obtain any of the required insurance coverage through FICURMA, Inc. a self-insured fund created by Sections 624.4623 and 440, Florida Statutes without respect to any rating. All policies evidencing insurance hereunder shall provide for payment to the Issuer, the Borrower, the Ground Lessor, and the Trustee as their respective interests may appear, the policies required by subsection (c) and subsection (d) of Exhibit E shall name the Issuer, the Borrower, the Trustee, and the Ground Lessor, as their respective interest may appear and the policies required by subsection (a), (e), and (g) hereof shall name the Trustee as mortgagee and loss payee under the Standard New York Mortgagee Endorsement or an equivalent endorsement or loss payee provision providing that no act or omission by the Borrower shall in any way prejudice the rights of the Trustee under such policies and shall require that all Net Proceeds of insurance if in excess of Five Hundred Thousand Dollars (\$500,000) for loss or damage covered thereby be paid to the Trustee and applied pursuant to Section 7.01 hereof; provided, however, that prior to the occurrence of an Event of Default, all claims regardless of amount may be adjusted by the Borrower with the insurers. A certificate or certificates of the insurers that such insurance is in force and effect shall be deposited with the Trustee, and prior to the expiration of any such policy the Borrower shall furnish the Trustee with a certificate or certificates that the policy has been renewed or replaced or is no longer required by this Loan Agreement. In lieu of separate policies, the Borrower may maintain one or more blanket policies of insurance having the coverage required by Section 6.04 hereof. All such policies shall provide that such insurance may not be modified adversely to the interests of the Issuer or the Trustee or canceled by the issuer thereof before the Bonds have been paid in full without at least thirty (30) days' written notice to the Borrower, the University, and the Trustee.

Section 6.07. Insurance Certification; Review by Insurance Consultant. (a) The Borrower shall deliver to the Trustee within ninety (90) days after the end of each Annual Period, beginning with the Annual Period ending June 30, 2025, a certificate of an Authorized

Borrower Representative setting forth the particulars as to all insurance policies maintained by the Borrower pursuant to Sections 6.04 and 6.06 hereof and certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of such Sections, and that all premiums then due thereon have been paid. The Trustee shall be entitled to conclusively rely upon said certification of the Borrower as to the Borrower's compliance with the insurance requirements of Sections 6.04 and 6.06 hereof. The Trustee shall not be responsible for the sufficiency of coverage or the amounts of any such policies.

(b) At all times during the Loan Agreement Term, an Insurance Consultant shall be designated by the Borrower. The Borrower shall procure from the Insurance Consultant a review of its insurance requirements not less than every two (2) years along with a written recommendation, if necessary, for increasing or decreasing any of the insurance or coverages hereinabove required, and shall furnish a copy of such review to the Trustee, and the University. If any such review by the Insurance Consultant contains recommendations for increasing any of such insurance or coverages, the Borrower shall promptly increase to the extent Borrower may do so without causing an Event of Default, such insurance or coverages in accordance with such recommendations, and if any such review by the Insurance Consultant contains recommendations for decreasing any of such insurance or coverages, the Borrower may decrease such insurance or coverages in accordance with such recommendations. In addition, on or before the execution and delivery of this Loan Agreement and, on or before January 31 of each succeeding year, the Borrower shall furnish to the Trustee a certificate of the Insurance Consultant to the effect that the insurance procured by the Borrower satisfies in all respects the requirements of Sections 6.04 and 6.06 hereof.

Section 6.08. Advances by the Issuer or the Trustee. If the Borrower shall fail to make any payment or perform any act required of it under this Loan Agreement, the Issuer or the Trustee may (but shall be under no obligation), after notifying the Borrower of its intention to do so and at the expiration of any applicable cure period, make such payment or perform such act. All amounts so paid by the Issuer or the Trustee and all costs, fees, and expenses so incurred shall be payable as an additional obligation hereunder and under the Notes, together with interest thereon from the date of payment by the Issuer or the Trustee, as applicable, at the Default Rate, payment of which shall be secured by the Leasehold Mortgage and the Security Agreement. Any remedy herein vested in the Issuer or the Trustee for the collection of the Loan Payments shall also be available to the Issuer and the Trustee for the collection of all such amounts so advanced. The Trustee shall be under no obligation to make any such payment unless it shall be requested to do so by the Requisite Number of Bondholders and shall be provided with adequate funds paid in cash to the Trustee (from a source or sources approved by the Trustee) for the purpose of such payment.

ARTICLE VII DESTRUCTION, DAMAGE, AND CONDEMNATION

Section 7.01. Destruction and Damage. (a) In the event that the Project shall be destroyed or damaged (in whole or in part) by fire or other casualty, the Borrower shall

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(iv) such Net Proceeds may be applied in some combination permitted by the foregoing clauses (i), (ii), and (iii) of this subsection (c).

(d) All Net Proceeds deposited into the Redemption Fund pursuant to this Section 7.01 as a result of the destruction of or damage to the Project shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such portion of the Project or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture.

(e) All Net Proceeds so deposited into the Redemption Fund to be applied to the redemption of the Series 2025 Bonds shall be used to redeem Series 2025 Bonds in accordance with the provisions of Section 304(a) or (b) of the Indenture; provided, that no part of such Net Proceeds may be applied to a redemption of the Bonds in whole pursuant to Section 304(a) of the Indenture unless the requirements of Section 11.02 hereof shall have been met.

(f) Any balance of such Net Proceeds of insurance remaining after application pursuant to Section 7.01(b) or (c) hereof or remaining because of the failure of the Authorized Borrower Representative to furnish to the Issuer and the Trustee, the items required by Section 7.03 hereof shall be transferred to the Redemption Fund and used to redeem Bonds as provided in Section 7.01(d) and (e) hereof.

Section 7.02. Condemnation. (a) In the event that title to or the temporary use of the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, the Borrower shall promptly notify the Issuer and the Trustee and, unless the Bonds shall be paid in full from the award made in such eminent domain proceedings, shall be obligated to continue to make the Loan Payments and shall not be entitled any postponement, abatement, or diminution thereof.

(b) The Issuer, the Borrower, and the Trustee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to the Trustee and deposited and held in the Condemnation Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Borrower within sixty (60) days from the date of such deposit:

(i) subject to the requirements of Section 7.03 hereof, such Net Proceeds may be applied to the restoration of the Project; or

(ii) subject to the requirements of Section 7.03 hereof, such Net Proceeds may be applied to the acquisition of other suitable land and the acquisition, by construction or otherwise, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower's operations at the Project as conducted prior to such taking (which improvements shall be deemed a part of the Project and available for use and

promptly notify the Issuer and the Trustee, and, unless the Bonds shall be paid in full from the Net Proceeds of insurance resulting from such destruction or damage, shall be obligated to continue to make the Loan Payments and shall not be entitled to any postponement, abatement, or diminution thereof.

(b) If such Net Proceeds of insurance shall be less than Five Hundred Thousand Dollars (\$500,000) (which amount shall be increased as of each June 1 by a percentage equal to the past year's increase, if any, in the Consumer Price Index for the County (the "CPI Adjustment") as provided by the Borrower to the Trustee), all such insurance proceeds shall be paid to the Borrower, and the Borrower shall repair, replace, rebuild, restore, and/or re-equip the 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 function of the Project. In the event the Net Proceeds shall not be sufficient to pay in full the costs of any such repair, replacement, rebuilding, restoration, and/or re-equipping, the Borrower shall nonetheless use its reasonable efforts, and only to the extent that funding is available, complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(c) If such Net Proceeds of insurance shall be in excess of Five Hundred Thousand Dollars (\$500,000) (plus the applicable CPI Adjustment, if any), all such insurance proceeds shall be paid to the Trustee and deposited and held in the Insurance Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Borrower within sixty (60) days from the date of such deposit:

(i) subject to the requirements of Section 7.03 hereof, such Net Proceeds may be applied to the restoration of the Project; or

(ii) subject to the requirements of Section 7.03 hereof, such Net Proceeds may be applied to the acquisition of other suitable land and the acquisition, by construction or otherwise, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower's operations at the Project as conducted prior to such destruction or damage (which improvements shall 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 herein provided to the same extent as if such improvements were specifically described herein and shall be acquired by the Borrower subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Leasehold Mortgage and the Security Agreement, other than Permitted Encumbrances); or

(iii) such Net Proceeds may be transferred to the Redemption Fund to be applied to the redemption of Bonds; or

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occupancy by the Borrower without the payment of any Loan Payments other than as herein provided to the same extent as if such improvements were specifically described herein and shall be acquired by the Borrower subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Leasehold Mortgage and the Security Agreement, other than Permitted Encumbrances); or

(iii) such Net Proceeds may be transferred to the Redemption Fund to be applied to the redemption of Bonds; or

(iv) such Net Proceeds may be applied in some combination permitted by the foregoing clauses (i), (ii), and (iii) of this subsection (b).

(c) All Net Proceeds deposited into the Redemption Fund pursuant to this Section 7.02 as a result of the condemnation of a portion of the Project shall be applied to the redemption of all or a portion of the Bonds issued to finance or refinance the acquisition of such portion of the Project or, if such Bonds shall no longer be Outstanding, the redemption of such other Bonds as may be directed by the Borrower in accordance with the provisions of the Indenture.

(d) All Net Proceeds so deposited into the Redemption Fund to be applied to the redemption of the Series 2025 Bonds shall be used to redeem Series 2025 Bonds in accordance with the provisions of Section 304(a) or (b) of the Indenture; provided, that no part of such Net Proceeds may be applied to a redemption of the Bonds in whole pursuant to Section 304(a) of the Indenture unless the requirements of Section 11.02 hereof shall have been met.

(e) Any balance of such Net Proceeds remaining after application pursuant to Section 7.02(b) hereof or remaining because of the failure of the Authorized Borrower Representative to furnish to the Issuer, the Trustee, the items required by Section 7.03 hereof shall be transferred to the Redemption Fund and used to redeem Bonds as provided in Section 7.02(c) and (d) hereof.

Section 7.03. Conditions Precedent to Repair, Restoration, or Replacement of the Project; Other Requirements. (a) Before the Trustee may apply any Net Proceeds pursuant to Section 7.01(c)(i), (ii), or (iv) hereof or Section 7.02(b)(i), (ii), or (iv) hereof to pay the costs of repairing, restoring, or and replacing the Project, the Borrower shall furnish to the Trustee, (i) a construction contract and any architect's agreement relating to such repair, restoration, or replacement, (ii) complete plans and specifications relating to such repair, restoration, or replacement (the "*Restoration Plans and Specifications*"), (iii) a certificate of an Independent Engineer that states that such repair, restoration, or replacement, if completed in accordance with the Restoration Plans and Specifications, will (A) restore the Project to substantially the condition thereof immediately preceding the damage, destruction, or condemnation and (B) comply with all applicable statutes, codes, and regulations; (iv) a certificate of an Authorized Borrower Representative stating that sufficient moneys are available to (A) pay for such repair, restoration, or replacement and, (B) together with available business interruption insurance

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proceeds and other available Pledged Revenues, pay Debt Service Payments on the Bonds and Expenses during the period of repair, restoration, or replacement; (v) applicable lien waivers or conditional lien waivers; (vi) evidence of the existence of performance and payment bonds for the applicable Design-Builder; and (vii) evidence that the Borrower has acquired all permits and licenses necessary for such construction; and, if such net proceeds are in excess Five Hundred Thousand Dollars (\$500,000) (plus the applicable CPI Adjustment, if any), in addition to those requirements listed in (i) through (vii) above, the Borrower shall also deliver to the Trustee an opinion of Bond Counsel to the effect that neither such repair, replacement, nor restoration nor such use of such casualty or condemnation proceeds will adversely affect the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

(b) The Trustee shall retain ten percent (10%) of the requested disbursements to be disbursed upon final completion of the repair, replacement, or restoration as certified by an Independent Architect and receipt of certificates of occupancy, waivers of liens. If at any time during the period of repair, restoration, or replacement, the insurance or casualty proceeds shall be less than the estimated remaining costs to restore, repair, or replace the Project, the Borrower shall provide the Trustee with cash or cash equivalents in an amount equal to the shortfall.

Section 7.04. Investment of Net Proceeds. Any moneys held by the Trustee in the Insurance Fund or the Condemnation Fund under the provisions of Section 7.01 or 7.02 hereof, respectively, shall, at the written request of the Borrower, be invested or reinvested by the Trustee, as specified by the Authorized Borrower Representative in such request, in Permitted Investments at a yield that is not greater than the yield on the Tax-Exempt Bonds. Neither the Issuer nor the Trustee shall be liable or responsible for the determination of the yield on any such investments or any loss resulting from any such investment. Such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Insurance Fund or the Condemnation Fund, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting therefrom shall be charged against such fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments whenever the cash held in the Insurance Fund or the Condemnation Fund is insufficient to pay a requisition for payment from such fund when presented. Neither the Trustee nor the Issuer shall be made liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized.

ARTICLE VIII ADDITIONAL COVENANTS

Section 8.01. No Warranty of Condition or Suitability by the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS.

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connection with the foregoing, the Borrower acknowledges and agrees to comply with the provisions of the Tax Agreement.

(c) The Borrower may if no event of default has occurred and is continuing, without violating the covenants contained in this Section, consolidate, merge, sell, or otherwise transfer to another Person all or substantially all of its assets as an entirety (and thereafter dissolve) including its rights under the Bond Documents, provided (i) such consolidation, merger, sale, or other transfer shall not otherwise cause an Event of Default and (ii) the surviving, resulting, or transferee Person (A) shall be authorized to do business in the State, (B) shall be a domestic corporation, partnership, or other entity, or, if a natural person, a resident of the United States of America, (C) shall have the power to assume and shall assume in writing all of the obligations of the Borrower under this Loan Agreement, the Notes, and the other Borrower Documents and shall deliver to the Trustee any security agreement necessary to ensure that after such consolidation, merger, sale, or other transfer, the Trustee shall have a security interest in all assets that constitute, or would have constituted, Collateral (as defined in the Security Agreement) prior to such consolidation, merger, sale, or transfer, together with an Opinion of Counsel that all action has been taken to perfect such security interest to the extent perfection can be made by the filing of financing statements, (D) shall obtain all licenses and permits required by law to operate the Project, (E) shall deliver to the Trustee a title insurance policy or endorsement insuring that the surviving, resulting, or transferee Person has a valid leasehold interest in the Property and insuring the Leasehold Mortgage as a first lien subject only to the Permitted Encumbrances, (F) shall deliver to the Trustee an Opinion of Counsel to the effect that this Loan Agreement, the Notes, and the other Borrower Documents, as assumed by the surviving, resulting, or transferee Person, are valid and enforceable obligations of such Person, subject only to exceptions related to bankruptcy and other customary exceptions, (G) shall deliver a Favorable Opinion of Bond Counsel, (H) shall have 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 this Loan Agreement, (I) shall 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 shall be accompanied by a report of the Accountant with respect to such historical *pro forma* basis financial statements stating the Fixed Charges Coverage Ratio for the periods reported on, and (J) shall provide evidence that the Series 2025 Project shall remain exempt from real property tax notwithstanding the transfer.

(d) The Borrower may also if no event of default has occurred and is continuing without violating any covenants contained in this Loan Agreement, sell, or otherwise transfer the Project to another Person that is controlled solely by the Borrower or the Corporation and that, prior to such sale or transfer, has no assets or liabilities, upon completion or satisfaction of the conditions set forth in items (i) and (ii)(A) through (G) of (c) above, and upon such

Section 8.02. Access to Project and Records. The Issuer, the Trustee, and their duly authorized representatives and agents, reserve the right, upon reasonable prior notice, to enter the Project at all reasonable times during the Loan Agreement Term for the purpose of (i) examining and inspecting the same, including any reconstruction thereof, (ii) performing such work in and about the Project made necessary by reason of the occurrence of an Event of Default, and (iii) upon the occurrence of an Event of Default, exhibiting the Project to prospective purchasers, lessees, or mortgagees. The Issuer and the Trustee shall also have the right at all reasonable times to examine the books and records of the Borrower and make copies thereof insofar as such books and records relate to the repair and maintenance of the Project or insofar as necessary to ascertain compliance with this Loan Agreement subject to, with respect to information concerning students of the University, any applicable privacy or other laws restricting dissemination of such information.

Section 8.03. Borrower and Corporation to Maintain Status; Conditions Under Which Exceptions Permitted. (a) The Borrower (i) shall maintain its legal existence as a single member limited liability company organized under the laws of the State of Florida whose sole member is a Tax-Exempt Organization, (ii) shall cause the Corporation to maintain its legal existence as a Tax-Exempt Organization and a non-profit corporation organized under the laws of the State of Georgia, (iii) shall not, except as permitted by this Section 8.03, consolidate with or merge into another entity or permit another entity to consolidate with or merge into it, (iv) shall not dissolve or otherwise dispose of all or substantially all of its assets, (v) shall cause the Corporation to file all required reports and documents with the IRS so as to maintain its status as a Tax-Exempt Organization, (vi) shall not operate the Project in any manner nor engage in any activities or take any action that might reasonably be expected to result in the Corporation's ceasing to be a Tax-Exempt Organization, and (vii) shall promptly notify the Issuer and the Trustee of any loss of the Corporation's status as a Tax-Exempt Organization or of any investigation, proceeding, or ruling that might result in such loss of status and (viii) shall use good faith efforts not to operate the Project or engage in activities or take action that might reasonably be expected to impair the Project's exemption from *ad valorem* taxation. The Borrower shall preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

(b) The Borrower covenants that none of its or the Corporation's revenues, income, or profits, whether realized or unrealized, will be distributed to any of its or the Corporation's directors (excluding reasonable director's fees) or inure to the benefit of any private Person, other than for the lawful corporate purposes of the Borrower or the Corporation; provided, however, that the Borrower and the Corporation may pay to any Person the value of any service or product performed for, or supplied to, the Borrower or the Corporation by such Person. The Borrower further covenants that it and the Corporation will take such actions as are necessary or appropriate and within their respective control to take to comply with the provisions of the Code and the Regulations in order to preserve the exclusion of the interest paid on the Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes and will not act or fail to act in any other manner that would adversely affect such exclusion. In

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completion or satisfaction shall be released from all liabilities and obligations under this Loan Agreement, the Notes, and the other Borrower Documents.

(e) The Borrower warrants that it is and while this Loan Agreement is in effect it (or the surviving, resulting, or transferee entity permitted by this Section) will continue to be duly qualified to do business in the State.

Section 8.04. Indemnity. (a) The Borrower shall and agrees to indemnify and hold the Issuer, the Trustee, and their respective directors, officers, members, and employees harmless against and from all claims by or on behalf of any Person and all costs, liabilities, losses, damages, fines, penalties, and expenses arising from the conduct or management of or from any work or thing done or originating on the Project and against and from all claims, costs, liabilities, losses, damages, fines, penalties, and expenses arising from (i) the leasing, condition, or operation of the Project, including, without limitation, any environmental condition of the Project, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under any of the Borrower Documents, (iii) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees, or licensees, (iv) any act or negligence of any assignee or lessee of the Borrower or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Borrower, or (v) the issuance or sale of the Bonds. The Borrower shall indemnify and hold the Issuer and the Trustee harmless from and against all fees, costs, and expenses incurred in or in connection with any such claim, cost, liability, loss, damage, fine, penalty, or expense arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, and upon notice from the Issuer or the Trustee, the Borrower shall defend them or either of them in any such action or proceeding.

(b) The Borrower agrees that it will indemnify and hold the Trustee harmless from any and all claim, cost, liability, loss, damage, fine, penalty, or expense, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, incurred without negligence or bad faith in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document believed by it to be valid, genuine, and sufficient and to have been prepared and furnished by the proper Person or to have been prepared or furnished pursuant to any of the provisions of any of the Bond Documents.

(c) The Borrower agrees that it will indemnify and hold the Issuer harmless from any and all claim, cost, liability, loss, damage, fine, penalty, or expense, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, in any way related to the issuance of the Bonds, and/or any act required by the Bond Documents.

(d) It is the intention of the parties that the Issuer, the Trustee, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of

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the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Borrower, or (v) any other costs, fees, or expenses incurred by the Issuer or the Trustee with respect to the Project or the financing thereof, including all claims, costs, liabilities, losses, damages, fines, penalties, or expenses arising in connection with the violation of any statutes or regulations pertaining to the foregoing. Nevertheless, if the Issuer or the Trustee should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer and the Trustee against all claims by or on behalf of any Person arising out of the same and all costs, liabilities, losses, damages, fines, penalties, and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, and upon notice from the Issuer or the Trustee, the Borrower shall defend the Issuer and the Trustee in any such action or proceeding, it being understood and agreed that no settlement of any claim against the Issuer or the Trustee resulting in any liability of any such party may be effected without the consent of such party.

(e) Notwithstanding anything herein to the contrary, if, in their sole discretion, the Issuer or the Trustee determine that the circumstances warrant, the Issuer and the Trustee may retain counsel, at the expense of the Borrower, to defend against any action described in this Section 8.04

(f) The indemnity contained in this Section 8.04 shall not apply to any (i) acts of negligence, willful misconduct, or intentional misconduct of the party seeking indemnification; (ii) any intentional breach by the party seeking indemnification of its obligations under the Bond Documents; or (iii) with respect to the Issuer, any liability or claim arising out of or relating to any information furnished by the Issuer and included in the Official Statement not being true and correct in all material respects or any failure by the Issuer to disclose information required to make the statements in the Official Statement relating to the Issuer not misleading.

(g) Nothing contained in this Section 8.04 shall require the Borrower to indemnify the Issuer, the Trustee, or their directors, officers, members, or employees for any claim or liability that the Borrower was not given any opportunity to contest or for any settlement of any such action effected without the Borrower's consent (assuming such opportunity to contest or consent was available to the party seeking indemnification and was not waived in writing by the Borrower).

(h) The agreement of the Borrower to indemnify the Issuer, the Trustee, and their respective directors, officers, members, and employees provided in this Section shall survive the payment of the Bonds and the termination of this Loan Agreement.

Section 8.05. Covenant Regarding Financial Statements.(a) The Borrower shall provide the Trustee and the Dissemination Agent, annually, within one hundred eighty (180) days after the end of each Annual Period, beginning with the Annual Period ending June 30, 2028, the financial statements of the Borrower, including its balance sheet, statement of revenue, expenses, and changes in fund balance (deficit), and statement of cash flow, for the

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Section 8.07. Annual Budget.

(a) At least thirty (30) days prior to the first day of each Annual Period commencing with the Annual Period ending June 30, 2028 the Borrower shall prepare the Annual Budget for the immediately succeeding Annual Period which shall include the monthly budgeted Expenses of the Project for such Annual Period, provided however with respect to the first partial year of operation of the Series 2025 Project, the Borrower shall prepare a budget for the period from January 1, 2027 through June 30 2027 and provide such partial year's budget to the Trustee by January 1, 2027.

(b) To the extent that the Borrower shall deem it necessary at any time during any Annual Period, the Borrower shall submit a revised Annual Budget to the Trustee declaring that the revisions are necessary to operate or maintain the Project and setting forth the reasons therefor which revised Annual Budget shall, for all purposes of this Loan Agreement, be deemed the Annual Budget for the remainder of the applicable Annual Period.

(c) A copy of each Annual Budget or revised Annual Budget shall be furnished to the Trustee and the University. The Annual Budget or revised Annual Budget shall be accompanied by a certificate of the Borrower to the effect that the Fixed Charges Coverage Ratio on the Senior Bonds for the Annual Period to which such Annual Budget relates, based on the projected Revenues and Expenses set forth therein, will not be less than 1.25.

(d) In the event the Borrower shall fail to provide the certificate required by subsection (c) of this Section, a Financial Consultant shall be engaged by the Borrower to review and/or revise the Annual Budget and to so certify to the Trustee and, to the extent such Financial Consultant shall revise the proposed Annual Budget, such revised Annual Budget shall, for all purposes of this Loan Agreement, be deemed the Annual Budget for the remainder of the applicable Annual Period.

Section 8.08. Continuing Disclosure Agreement. The Borrower shall at all times remain party to the Continuing Disclosure Agreement, or if the Continuing Disclosure Agreement shall terminate, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended. The Borrower shall perform its obligations under the Continuing Disclosure Agreement.

Section 8.09. Operation of Project and Safety Code. The Borrower shall operate the Project as a mixed-use educational facility or similar facility or cause the same to be operated as a mixed-use facility or similar facility and shall continue 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.

year then ended in comparative form for the preceding Annual Period, which financial statements shall be accompanied by an Audit Report.

(b) The financial statements to be furnished to the Trustee and the Dissemination Agent, annually pursuant to this Section 8.05 shall be accompanied by a calculation of (i) the Fixed Charges Coverage Ratio, and (ii) the amount of the Operating Account Surplus, if any, and by a certificate of the Borrower to the effect that the Borrower is not then in default under any provisions of the Borrower Documents and has fully complied with all of the provisions thereof, or if the Borrower shall then be in default or shall have failed to so comply, setting forth the nature of the default or failure to comply.

Section 8.06. Rate Covenant. (a) The Borrower covenants and agrees to operate the Project as a revenue producing mixed-use facility on a non-discriminatory basis, and to the extent permitted by law, to charge or cause to be charged such fees and rates for its facilities and services and to exercise such skill and diligence as will provide Revenue Available for Fixed Charges, together with other available funds, sufficient to pay promptly all expenses of operation, maintenance, and repair of the Project and to provide all payments required to be made by the Borrower under this Loan Agreement.

(b) Such rates, fees, charges and Lease Payments in each Annual Period beginning with the first full Annual Period after the Series 2025 Completion Date, shall be sufficient to produce a Fixed Charges Coverage Ratio on the Senior Bonds of at least 1.25. In the event that it shall be determined, based upon the financial statements and calculation of the Borrower required by Section 8.05 hereof, that for any Annual Period such Fixed Charges Coverage Ratio on the Senior Bonds shall not have been maintained, the Borrower shall, within thirty (30) days of receipt of such financial statements, engage a Financial Consultant to submit to the Trustee a report of such firm containing recommendations, if any, as to changes in the operating policies of the Borrower designed to maintain such Fixed Charges Coverage Ratio on the Senior Bonds, shall cause such Financial Consultant to prepare and submit such recommendations within sixty (60) days of the date of its engagement, and shall promptly implement such recommendations to the extent permitted by law and by the Ground Lease. Provided that the Fixed Charges Coverage Ratio on the Senior Bonds does not fall below 1.00, no Event of Default shall occur if such recommendations shall be followed notwithstanding that such Fixed Charges Coverage Ratio on the Senior Bonds shall not subsequently be reattained, but the Borrower shall continue to be obligated to employ such a Financial Consultant for such purpose until such Fixed Charges Coverage Ratio on the Senior Bonds shall be reattained.

(c) The Borrower shall, from time to time as often as necessary and to the extent permitted by law, 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 this Loan Agreement, and further, that it will, in order to comply with the provisions of this 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 this Loan Agreement.

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Section 8.10. Related Party Transactions. The Borrower shall not enter into any transaction relating to the Project, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate of the Borrower except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's business and upon terms found by the Board of Directors of the Corporation to be fair and reasonable and no less favorable to the Borrower than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of the Borrower provided.

Section 8.11. Covenant Regarding Residential Manager. The Borrower agrees that if the University shall cease to serve as the Residential Manager, the Borrower will consult with the University and will promptly employ, and at all times thereafter, employ, as the Residential Manager, a recognized manager of student housing facilities that then manages, and shall have for the past five (5) years managed, at least five thousand (5,000) beds of student housing. Prior to entering into a contract with any successor Residential Manager, the Borrower shall first deliver to the Trustee a Favorable Opinion of Bond Counsel regarding the new management contract, and shall deliver to the Trustee a document legally binding the University to continue to deposit the funds with the Trustee as required by Section 4 of the initial Residential Management Agreement.

Section 8.12. Calculation and Payment of Rebate Amount. (a) The Borrower covenants to comply with the covenants and procedures set forth in Section 511 of the Indenture and to deposit in the Account(s) of the Rebate Fund such amount(s) as shall be necessary to maintain the deposit(s) in the Account(s) of the Rebate Fund at the Rebate Amount.

(b) The Borrower shall provide to the Trustee at least every Rebate Year for each Series of Tax-Exempt Bonds, a certificate of the Borrower to the effect that (i) all requirements of this Loan Agreement, the Indenture, and the Tax Agreement with respect to the Rebate Fund have been met on a continuing basis, (ii) the proper amounts have been and are on deposit in the Rebate Fund, and (iii) timely payment of all amounts due and owing to the United States Treasury have been made, which certificate may be based in part on the computations of the Rebate Analyst. If the certifications required by either (ii) or (iii) above cannot be made, the certificate shall so state and shall be accompanied by either money of the Borrower together with a direction from the Borrower to the Trustee to either deposit such money to the Rebate Fund or to pay such money over to the United States Treasury, as appropriate, or directions from the Borrower to the Trustee to transfer investment income available in any Fund to the Rebate Fund or to the United States Treasury, as appropriate. The Borrower acknowledges the provisions of Section 702(b) of the Indenture that limit the amount of money to be so transferred from the Funds at its direction.

(c) If the certificate described in the preceding subsection shall not be delivered to the Trustee and the Issuer within forty-five (45) days after the end of each Rebate Year, during the term of this Loan Agreement, the Issuer shall (or shall cause an expert satisfactory to the Issuer to) do all things necessary and appropriate to enable the Borrower (or such expert) to

make such certification as soon as possible. The Trustee shall transfer moneys from other Funds or Accounts as provided in Section 511 of the Indenture to the Rebate Fund or the United States Treasury, as appropriate, if required.

(d) Notwithstanding any provision of this Section 8.12, if the Borrower shall provide, at the Borrower's expense, to the Trustee and to the Issuer an opinion of Bond Counsel to the effect that any action required under this Section or Section 511 of the Indenture shall no longer be required, or to the effect that some further action shall be required, to maintain the excludability from gross income of interest on the Tax-Exempt Bonds pursuant to Section 103(a) of the Code, the Borrower, the Issuer, and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and Section 511 of the Indenture, and the covenants hereunder shall be deemed to be modified to that extent.

Section 8.13. Annual Compliance Certificate. For each year that this Loan Agreement shall remain in effect, the Borrower shall furnish to the Trustee simultaneously with the certificate of the Borrower required by Section 8.05(b) hereof, a certificate of the Borrower, signed by an authorized officer, (a) stating that the Borrower has made a review of its activities during the preceding Annual Period for the purpose of determining whether or not the Borrower has complied with all the terms, covenants, provisions, and conditions of the Borrower Documents on its part to be kept, observed, performed, or fulfilled and (b) either (i) stating that the Borrower has kept, observed, performed, and fulfilled each and every such term, covenant, provision, and condition, or (ii) providing a description of any failure on its part to keep, observe, perform, or fulfill any such term, covenant, provision, or condition. The Borrower shall also promptly provide the Issuer with such information as it shall reasonably request, including, without limitation, information as to employee levels, financial status, and outstanding principal balance of the Bonds.

Section 8.14. Borrower Responsible for Compliance Monitoring. The Borrower has been informed that the Issuer assumes no responsibility for monitoring compliance by the Borrower with the applicable federal income tax, securities laws or other regulatory requirements relative to the Series 2025 Bonds. In this regard, the Borrower understands and agrees that it is responsible for monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the Issuer in responding to any audit, examination or inquiry of the IRS, the Securities and Exchange Commission or other organization. The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Series 2025 Bonds, and shall retain adequate records of such compliance until at least three (3) years after the Series 2025 Bonds are retired. In the event of any audit, examination or investigation by the IRS with respect to the tax-exempt status of the Series 2025 Bonds or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit.

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(b) The Borrower shall fail to pay the Basic Loan Payments required to be paid under Section 5.02(a)(i)(C), (F) or (H) of this Loan Agreement at the times specified therein and such failure shall continue for a period set forth in the amendment or amendments hereto executed in connection with the issuance of Additional Bonds.

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

(d) The Borrower shall fail to perform or cause to be performed any other covenant, condition, or provision hereof, other than as referred to in (a), (b), or (c) above or any covenant contained in Section 8.06 hereof, and to correct such failure within thirty (30) days after written notice specifying such failure shall have been 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, but that can be wholly corrected within a period of time not materially detrimental to the rights of the Trustee, it shall not constitute an Event of Default if corrective action shall be instituted by the Borrower within the applicable period and diligently pursued until the failure shall have been corrected in accordance with and subject to any directions or limitations of time established in writing by the Trustee.

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

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ARTICLE IX ASSIGNMENT, SUBLEASING, ENCUMBERING, AND SELLING; REDEMPTION; LOAN PAYMENTS; AND ABATEMENT

Section 9.01. Restrictions on Sale, Encumbrance, or Conveyance of the Project by the Borrower. The Borrower shall not, except as set forth in Sections 6.02 and 8.03 hereof and Section 41 of the Leasehold Mortgage, (a) directly, indirectly, or beneficially sell, convey, or otherwise dispose of any part of its interest in the Project during the Loan Agreement Term, (b) permit any part of the Premises to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, except for Permitted Encumbrances or except as otherwise permitted under this Loan Agreement, or (c) assign, transfer, or hypothecate (other than to the Trustee) any rent (or analogous payment) then due or to accrue in the future under any sublease of the Premises, except for Permitted Encumbrances or except as otherwise permitted in Section 8.03 hereof.

Section 9.02. Redemption of Bonds. The Issuer, at the written request and expense of the Borrower at any time and if the Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Indenture to effect redemption or purchase of all or part of the then outstanding Bonds, as may be specified by the Borrower, on the earliest date on which such redemption or purchase may be made under such applicable provisions. In the circumstances set forth in Sections 6.02, 7.01, and 7.02 of this Loan Agreement and Section 41 of the Leasehold Mortgage, Bonds will be redeemed by the Issuer automatically without the request of the Borrower, however, in certain circumstances, the Borrower shall have the right to select the date of redemption pursuant to Section 306 of the Indenture.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. The following shall be "*Events of Default*" under this Loan Agreement, and the term "*Event of Default*" shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) The Borrower shall fail to pay the Basic Loan Payments required to be paid under Section 5.02(a) of this Loan Agreement at the times specified therein and such failure shall continue for a period of five (5) days after notice by mail, facsimile transmission, or personal delivery in the manner provided in Section 12.01 of this Loan Agreement, given to the Borrower by either the Trustee or the Issuer, that the payment referred to in such notice has not been received, or, without regard to notice, for a period of ten (10) days (eight (8) days in the case of Basic Loan Payments due in February) after any such amount shall become due, whichever shall occur first.

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

(g) The Fixed Charges Coverage Ratio on the Senior Bonds for any Annual Period is less than 1.0 and while such Fixed Charges Coverage Ratio on the Senior Bonds for such Annual Period is less than 1.0, the Borrower fails to make a Basic Loan Payment on any Interest Payment Date.

(h) The occurrence of an event of default under any of the Bond Documents other than the Continuing Disclosure Agreement.

Section 10.02. Remedies on Event of Default. (a) Whenever any Event of Default referred to in Section 10.01 hereof shall have happened and be subsisting, the Issuer, or the Trustee as the assignee of the Issuer, to the extent permitted by law, may:

(i) at its option, which may be exercised separately and independently from any similar option under the Indenture, declare all unpaid installments of Basic Loan Payments with respect to the Senior Bonds and other amounts payable under Section 5.02 hereof for the remainder of the Loan Agreement Term to be immediately due and payable whereupon the same shall become immediately due and payable, it being understood that upon a declaration of acceleration by the Trustee under Section 1002 (a) of the Indenture, all unpaid Basic Loan Payments with respect to the Senior Bonds payable hereunder shall become immediately due and payable; provided, however, that if acceleration of the Senior Bonds shall have been rescinded and annulled pursuant to Section 1002 (a) of the Indenture, acceleration of the Basic Loan Payments with respect to the Senior Bonds and other amounts payable under Section 5.02 hereof required by this Section 10.02(a) shall similarly be rescinded and annulled and the Event of Default occasioning such acceleration shall be waived, but no such waiver, rescission, and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any right, power, or remedy consequent thereon; and/or

(ii) Whenever any Event of Default referred to in Section 10.01(a) occurs and is continuing, and no Senior Bonds remain outstanding under the Indenture, the Issuer, or the Trustee as the assignee of the Issuer, to the extent permitted by law, may declare all unpaid installments of Basic Loan Payments with respect to the Subordinate Bonds and other amounts payable under Section 5.02 with respect to the Subordinate Bonds for the

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remainder of the Agreement Term to be immediately due and payable whereon the same will become immediately due and payable, it being understood that on a declaration of acceleration by the Trustee under Section 1002 (b) of the Indenture, all unpaid Basic Loan Payments payable hereunder with respect to the Subordinate Bonds will become immediately due and payable; provided, however, that if acceleration of the Subordinate Bonds has been rescinded and annulled pursuant to Section 1002 (b) of the Indenture, acceleration of the Basic Loan Payments and other amounts payable under Section 5.02 hereof with respect to the Subordinate Bonds required by this Section 1002 (b) 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 Event of Default or impair or exhaust any right, power, or remedy consequent thereon. The foregoing shall apply to the Basic Loan Payments with respect to the Subordinate Bonds only when all Senior Bonds have been paid in full.

(iii) 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; and/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 with respect to the Senior Bonds and other amounts payable by the Borrower hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Loan Agreement.

(b) Amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture, or, if the Bonds shall have been paid in full (or provision for payment thereof shall have been made in accordance with the provisions of the Indenture) and the Borrower shall have paid all amounts due under Sections 5.02, 6.08, 8.04, and 10.04 hereof, then any amounts remaining shall be paid to the Ground Lessor.

Section 10.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee, as assignee of the Issuer, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

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for the foregoing restriction on obtaining any money from, or deficiency judgment against, the Borrower) of any obligation evidenced or secured by this Loan Agreement or any of the other Bond Documents (except as hereinafter set forth) or (ii) impair the right of the Issuer to obtain insurance proceeds or condemnation awards due to the Borrower.

(c) Notwithstanding the foregoing, the Borrower shall be liable for (i) any (A) fraud or intentional misrepresentation by the Borrower or any of its officers in connection with its representations contained in Section 2.02 hereof, subsections 1(a)(iv) through (vii) of the Leasehold Mortgage and Section 3(f) and (g) of the Security Agreement, or (B) intentional failure by the Borrower or any of its officers to disclose a material fact actually known by the Borrower or any of its officers in connection with the issuance and delivery of Bonds, to the extent of actual losses or damages actually suffered by the Issuer, the Trustee, or the owners of such Bonds as a result of such fraud, intentional misrepresentation, or intentional failure to state a material fact; and (ii) misapplication after the date hereof of (A) proceeds of any insurance covering any portion of the Security actually received by the Borrower or any of its officers, (B) proceeds from the sale or condemnation of any portion of the Security actually received by the Borrower or any of its officers, or (C) rentals or other proceeds from the lease of any portion of the Security actually received by the Borrower or any of its officers, and in such event, Borrower's liability shall be limited to the amounts misapplied.

Section 10.07. No Liability of the Borrower's Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Loan Agreement, in any of the Bond Documents, or in any other documents delivered in connection with the issuance of the Series 2025 Bonds, or for any claim based thereon, or under any judgment obtained against the Borrower, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member (including without limitation the Corporation), or officer, as such, past, present, or future of the Borrower, 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 this Loan Agreement, any of the Bond Documents, or any other documents delivered in connection with the issuance of the Series 2025 Bonds.

Section 10.08. Restoration to Original Positions. In case the Issuer or the Trustee shall have proceeded to enforce any right under this Loan Agreement, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Borrower, and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Issuer and the Trustee shall continue as if no such proceedings had been taken. To the extent that the Issuer or the Trustee shall waive or rescind any Event of Default hereunder, or in case any proceeding taken by the Issuer or the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of the Borrower Documents and the Issuer or the Trustee should employ attorneys or incur other reasonable expenses for the collection of Basic Loan Payments hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it shall, on demand therefor, pay to the Issuer or the Trustee the reasonable fees of such attorneys and such other expenses so incurred by the Issuer and/or the Trustee. Any attorneys' fees required to be paid by the Borrower under this Loan Agreement shall include attorneys' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals.

Section 10.05. Waiver of Events of Default. The Trustee, on behalf of the Issuer, may waive any Event of Default hereunder and its consequences or rescind any declaration of acceleration of payments of the Basic Loan Payments due hereunder. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or the Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Issuer or the Trustee, then and in every such case the Issuer and the Borrower shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 10.06. Limited Liability, Authority, and Recourse. (a) Notwithstanding anything to the contrary contained in any Bond Document or other instrument executed in connection with the issuance of the Series 2025 Bonds, except as set forth in Section 10.06(c), the liability of the Borrower under any such Bond Document or instrument shall be limited to its interest in the Project and the other Security, and except as specifically provided in Section 10.06(c), no Person shall have the right to obtain payment from the Borrower or from any assets of the Borrower other than the Project and the other Security. Neither the Issuer nor the Trustee (either as a party to the Security Documents or as the assignee of the Issuer), shall enforce the liability and obligation of the Borrower to perform and observe the obligations contained in this Loan Agreement, any of the other Bond Documents, or any other documents delivered in connection with the issuance of the Series 2025 Bonds in any action or proceeding wherein a money judgment shall be sought against the Borrower, except that the Trustee may bring a foreclosure action, action for specific performance, or other appropriate action or proceeding to enable the Trustee to enforce and realize upon the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements, and the interest in the Security, provided, however, that any judgment in any such action or proceeding shall be enforceable against the Borrower only to the extent of the Borrower's interest in the Project and the other Security.

(b) The Issuer agrees that it will not sue for, seek, or demand any money from, or deficiency judgment against, the Borrower in such action or proceeding, under or by reason of or in connection with this Loan Agreement, any of the other Bond Documents, or any other documents delivered in connection with the issuance of the Series 2025 Bonds. The provisions of this Section 10.06 shall not, however, (i) constitute a waiver, release, or impairment (except

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case the Issuer, the Trustee, and the Borrower shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 10.09. Delay or Omission Not a Waiver. No delay or omission of the Issuer or the Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Issuer or the Trustee may be exercised from time to time and as often as may be deemed expedient by the Issuer or the Trustee.

Section 10.10. Waiver of Extension, Stay, and Redemption Laws. To the extent permitted by law, the Borrower shall not, during the continuance of any Event of Default hereunder, insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of, any extension or stay law wherever enacted, now or at any time hereafter in force, that may affect the covenants and terms of performance of this Loan Agreement; nor after any sale or sales of the Project that may be made pursuant to any provision herein contained, or pursuant to the decree, judgment, or order of any court of competent jurisdiction, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof, and the Borrower hereby expressly waives all benefits or advantages of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 10.11. Remedies Subject to Provisions of Laws. All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law that may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

Section 10.12. No Right to Conduct Affairs of the Borrower. Nothing contained in this Loan Agreement shall be construed to grant to the Issuer or the Trustee the right to conduct the business and affairs of the Borrower, whether or not an Event of Default shall have occurred.

ARTICLE XI OPTIONS IN FAVOR OF THE BORROWER

Section 11.01. General Option to Terminate Loan Agreement. The Borrower shall have, and is hereby granted, the following options to terminate this Loan Agreement at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture). The Borrower may terminate the Loan

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Agreement Term by (a) paying to the Trustee an amount that, when added to the amount on deposit in the Bond Fund, the Debt Service Reserve 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 this Loan Agreement, and (d) otherwise complying with the provisions of Article IX of the Indenture. If the Ground Lessor shall exercise the option granted to it pursuant to the Ground Lease to purchase the Project, the Borrower shall exercise the option granted by this Section.

Section 11.02. Option to Prepay Loan Upon the Occurrence of Certain

Extraordinary Events. (a) The Borrower shall have, and is hereby granted, the option to prepay the Series 2025 Loan in full or in part prior to the full payment of all of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), (i) in full if the Series 2025 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot reasonably be restored within a period of twelve (12) months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of insurance payable in respect of such destruction or damage, (ii) in full if title to, or the temporary use of, a substantial portion of the Series 2025 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot be reasonably restored or replaced within a period of twelve (12) months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking, or (iii) in part in the event of partial condemnation or destruction of, or partial damage to, the Series 2025 Project, from the Net Proceeds received by the Borrower as a result of such taking, destruction, or damage to the extent such Net Proceeds are not used for the restoration of the Series 2025 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2025 Project as such operations were conducted prior to such taking, destruction, or damage if the Borrower furnishes to the Trustee and the Issuer (A) a certificate of an Independent Engineer stating (1) that the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged is not essential to the Borrower's use or occupancy of the Series 2025 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage, or (2) that the Series 2025 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage, or (3) that

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(i) an amount of money that, when added to the amount then on deposit in the Bond Fund and the Redemption Fund, will be sufficient to retire and redeem the Series 2025 Bonds that are to be redeemed on the applicable redemption date provided by the Indenture, including without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus

(ii) an amount of money equal to the Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees and expenses relating to such redemption, plus

(iii) an amount of money equal to the Issuer's reimbursable expenses under this Loan Agreement relating to such redemption.

Section 11.03. Option to Prepay Loan in Connection with Optional Redemption of

the Bonds. (a) The Borrower shall have the option to prepay the Series 2025 Loan by prepaying Basic Loan Payments due under this Loan Agreement in such manner and amounts as will enable the Issuer to redeem the Series 2025 Bonds prior to maturity in whole or in part on any date, as provided in Section 302 of the Indenture. The Basic Loan Payments payable by the Borrower in the event of its exercise of the option granted under this Section shall be, (i) in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, as provided in Section 302 of the Indenture, and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in Article IX of the Indenture and the applicable redemption premium, as provided in Section 302 of the Indenture.

(b) To exercise such option, the Borrower shall give the Issuer and the Trustee not less than forty-five (45) days' prior written notice of the exercise of such option and shall specify therein the date of tender of such prepayment and the amount thereof, shall direct the redemption of the corresponding amount of Series 2025 Bonds, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

ARTICLE XII MISCELLANEOUS

Section 12.01. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by electronic or facsimile transmission (with the receipt of any such electronic or facsimile transmission to be followed up by telephone to confirm receipt thereof), or by personal delivery addressed as follows:

the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged or (B) a written report of a Financial Consultant filed with the Trustee and the Issuer that the Fixed Charges Coverage Ratio for each of the two (2) Annual Periods following the Annual Period following such taking, destruction, or damage will not be less than the lesser of (1) 1.25 and (2) the average Fixed Charges Coverage Ratio for the two (2) most recent Annual Periods prior to such taking, destruction, or damage for which audited financial statements are available.

(b) In the case of the occurrence of any of the events described in the preceding subsection (a), the Borrower, if it shall exercise its option to prepay the Series 2025 Loan, must prepay the Series 2025 Loan within one hundred eighty (180) days after such event.

(c) To exercise such option, the Borrower shall, within sixty (60) days following the event authorizing the exercise of such option, give written notice of the exercise of such option to the Issuer and to the Trustee and shall specify therein the date of tender of such prepayment, which date shall not be less than forty-five (45), nor more than one hundred twenty (120), days from the date such notice is mailed, and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

(d) The amount payable by the Borrower in the event of its exercise of the option to prepay the Series 2025 Loan in full granted in the circumstances described in clauses (i) and (ii) of subsection (a) of this Section shall be the sum of the following:

(i) an amount of money that, when added to the amount then on deposit in the Bond Fund, the Redemption Fund, and the Debt Service Reserve Fund (taking into account the restrictions of Section 506(g) of the Indenture) will be sufficient to retire and redeem all the then Outstanding Series 2025 Bonds on the applicable redemption date provided by the Indenture, including without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus

(ii) an amount of money equal to the Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees and expenses, under the Indenture accrued and to accrue until such final payment and redemption of the Series 2025 Bonds, plus

(iii) an amount of money equal to the Issuer's reimbursable expenses under this Loan Agreement accrued and to accrue until such final payment and redemption of the Series 2025 Bonds.

(e) The amount payable by the Borrower in the event of its exercise of the option to prepay the Series 2025 Loan in part granted in the circumstances described in clause (iii) of subsection (a) of this Section shall be the sum of the following:

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If to the Issuer: Palm Beach County, Florida
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33405
Attention: David Jaco
Telephone: (561) 233-3671
Facsimile: (561) 233-3661
E-Mail: djaco@pbc.gov

With a Copy to: Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401
Attention: David Behar, Esq.
Telephone: (561) 355-2734
Facsimile: (561) 656-7045
E-Mail: Dbehar@pbcgov.org

If to the Trustee: Hancock Whitney Bank
445 North Boulevard, Suite 201
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department
Telephone: (225) 248-7407
Facsimile: (225) 248-7469
E-Mail: john.shiroda@hancockwhitney.com

If to the Borrower: Provident Group – PBAU Properties II LLC
c/o Provident Resources Group Inc.
5565 Bankers Avenue
Baton Rouge, Louisiana 70808
Attention: Steve E Hicks
Telephone: (225) 766-3999
Facsimile: (225) 766-3988
E-Mail: Hicks@Provident.org

If to the Underwriter: J.P. Morgan Securities LLC
4000 Center North Hills St, Floor 6
Raleigh, NC, 27609-2615
Attention: Kent Lawrence
Telephone: 919-278-1638
Facsimile: 919-237-9821
E-Mail: kent.w.lawrence@jpmorgan.com

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, electronic or facsimile transmission (with telephone contract to confirm such receipt), messenger, courier service, or otherwise) to any person who is an officer

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of the Borrower at any location where such person may be found, or to an officer, agent, or employee of the Borrower or other party, at the address of such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) that is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee and to the Underwriter. Any party named in this Section 12.01 may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 12.02. Construction and Binding Effect. This Loan Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, and their respective successors and assigns subject, however, to the limitations contained in Sections 8.03 and 9.02 hereof.

Section 12.03. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.04. Amendment, Changes, and Modifications. Neither this Loan Agreement nor the Indenture may be amended, changed, modified, or altered, except as provided in the Indenture.

Section 12.05. Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.06. Law Govering Construction of this Loan Agreement. This Loan Agreement is prepared and entered into with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 12.07. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date for any payment due under this Loan Agreement shall be, in the location of the Office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then such payment need not be made on such date but may be made on the immediately succeeding business day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date due.

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warranty false when made, (b) any Event of Default or Default Condition, specifying in each case the nature thereof and what action the Borrower has taken, is taking, and/or proposes to take with respect thereto, (c) any IRS audit of the Borrower or the Bonds, and/or (d) any material litigation affecting the Bonds, the Borrower, or the Project.

Section 12.14. Electronic Signatures. The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Loan Agreement) shall be deemed (a) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a ".pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 12.15. Patriot Act. Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. Accordingly, the parties hereto acknowledge that the Trustee may require documentation from each non-individual Person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity and that the Trustee may also request identifying information to sufficiently verify the identities of individuals claiming authority to represent the entity.

Section 12.16. No Pecuniary Liability of Issuer, the University, or the State. No provision, covenant, or agreement contained in this Loan Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute a debt, liability or indebtedness of the Issuer (except to the extent provided herein and in the Bonds), the University, or of the State or of any political subdivision thereof, or a pledge of the faith and credit of the Issuer, or of the State or of any political subdivision of the State, within the meaning of any State constitutional or statutory limitation. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Loan Payments, revenues, income and all other property pledged and assigned as security for the Bonds as hereinabove provided. NONE OF THE BONDS OR THE LOAN OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE BONDS OR THE LOAN ARE DEBTS, LIABILITIES OR OBLIGATIONS OF THE ISSUER, THE UNIVERSITY, OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR TAXING

Section 12.08. Subordination to Indenture. This Loan Agreement and the rights and privileges hereunder of the Borrower are specifically made subject and subordinate to the rights and privileges of the Trustee and the owners of the Bonds appertaining thereto set forth in the Indenture.

Section 12.09. Limitation on Interest. No provisions of this Loan Agreement or of the Notes shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess interest in such respect is herein or on the Notes provided for, or shall be adjudicated to be so provided for herein or in the Notes, the Borrower shall not be obligated to pay such interest in excess of the amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any provisions of this Loan Agreement and the Notes inconsistent with this provision.

Section 12.10. Indenture. The Borrower has reviewed the terms of the Indenture and agrees to perform the duties and obligations imposed upon it thereby.

Section 12.11. Authority of Authorized Borrower Representative. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Borrower shall be required, or the Issuer or the Trustee shall be required to take some action at the request of the Borrower, such approval or such request may be made by an Authorized Borrower Representative unless otherwise specified herein or in the Indenture. The Issuer or the Trustee shall be authorized to act on any such approval or request and the Borrower shall have no complaint against the Issuer or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions hereof or of the Indenture by an Authorized Borrower Representative shall be on behalf of the Borrower and shall not result in any personal liability of such Authorized Borrower Representative.

Section 12.12. Authority of Authorized Issuer Representative. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Issuer shall be required, or the Borrower or the Trustee shall be required to take some action at the request of the Issuer, such approval or such request may be made by an Authorized Issuer Representative unless otherwise specified herein or in the Indenture. The Borrower or the Trustee shall be authorized to act on any such approval or request and the Issuer shall have no complaint against the Borrower or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions hereof or of the Indenture by an Authorized Issuer Representative shall be on behalf of the Issuer and shall not result in any personal liability of such Authorized Issuer Representative.

Section 12.13. Notice of Change in Fact. The Borrower shall notify the Issuer and the Trustee promptly after the Borrower shall become aware of (a) any change in any material fact or circumstance represented or warranted by the Borrower in this Loan Agreement or in connection with the issuance of a Series of Bonds that would make any such representation or

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POWER OF THE COUNTY OR OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS AND NO DEBTS ARISING HEREUNDER SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE.

Section 12.17. No Personal Liability of Officials of the Issuer. None of the covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any member, official, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any member, official, officer, agent or employee of the Issuer or any natural person executing any Bond.

Section 12.18. Limited Obligation of Issuer. (a) This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower for the benefit of the owners of the Series 2025 Bonds, and their respective successors and assigns, subject to the limitation that any obligations of the Issuer created by or arising out of this Loan Agreement shall be limited obligations of the Issuer, payable solely out of the revenues arising from the pledge and assignment of the Loan and the other funds held or set aside in trust under the Indenture and shall never constitute the debt or indebtedness of the Issuer, the State, or any political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall not constitute nor give rise to a pecuniary liability of the Issuer, the State or any political subdivision of the State or a charge against the general credit or taxing powers, if any, of such entities.

(b) Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(c) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Loan Agreement, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Series 2025 Project or the issuance and sale of the Series 2025 Bonds, against the Issuer or any of its directors, officers, members, and employees (as described in Section 8.04 hereof) (each, an "Issuer Indemnified Party") whether by virtue of any Constitutional provision, statute, or rule of the law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Issuer Indemnified Party, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party is, by the execution of the Issuer Documents, and as a condition

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of, and as part of the consideration for, the execution of the Issuer Documents, is expressly waived and released.

(d) No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Issuer in connection with the Series 2025 Project or the issuance, sale, and/or delivery of the Series 2025 Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Series 2025 Bonds and their application as provided in the Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Series 2025 Bonds, this Loan Agreement, or the Indenture, or in any document executed by the Issuer in connection with the Series 2025 Project or the issuance and sale of the Series 2025 Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the Trust Estate. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Trust Estate. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Trust Estate for the payment of the Series 2025 Bonds.

(e) The Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Series 2025 Bonds. None of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Trust Estate, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability that may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations, and provisions expressly contained in this Loan Agreement, the Indenture and any and every Bond executed, authenticated, and delivered under the Indenture; provided, however, that (i) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Trustee, (ii) the Issuer shall have received the instrument to be executed, and (iii) any action or execution of any instrument requested of the Issuer shall be at the Borrower's sole expense.

[Remainder of Page Intentionally Left Blank]

PROVIDENT GROUP – PBAU PROPERTIES II LLC

By: Provident Resources Group Inc., a
Georgia nonprofit corporation, its sole
member

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

[Signature Page | Loan Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in their respective names and on their respective behalves by their respective duly authorized officers as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

[Signature Page | Loan Agreement]

EXHIBIT A

DESCRIPTION OF THE EQUIPMENT

All machinery, equipment, furniture, furnishings, appliances, signs, and other articles of tangible personal property of every kind and nature whatsoever owned by the Borrower now or hereafter attached to, used in connection with, or located at, in, upon, or under the Property described in Exhibit B hereto, excluding, however, machinery, equipment, furniture, furnishings, and other articles of tangible personal property located at, in, upon, or under the Property described in Exhibit B hereto that is owned by residents of the Project located on the Property or owned by the University and located in the space subleased by the University under the University Sublease.

EXHIBIT B

DESCRIPTION OF THE PROPERTY

A parcel of land being a portion of Lots 2, 3, 4, 5, 6, 7, 8, and 20, all of Lot 21 and a portion of abandoned Kings Court, according to the Plat of KINGS COURT, as recorded in Plat Book 5, Page 59, Palm Beach County, Florida Public Records and a portion of Lots 1, 15, Gruber Place, and Wallingford Place, according to the Plat of JEFFERSON PARK, as recorded in Plat Book 1 Page 90, Palm Beach County, Florida Public Records and a portion of Lots 1, 2, and 3, according to the Plat of CHADBOURNE PARK, as recorded in Plat Book 2, Page 88, Palm Beach County, Florida Public Records, being more particularly described as follows:

BEGIN at a point on the West line of said Lot 3, CHADBOURNE PARK lying 159.25 feet South of the Northwest corner of said Lot 1, CHADBOURNE PARK; thence North 88°51'54" West, a distance of 76.52 feet to a point; thence North 00°26'02" East a distance of 423.50 feet to a point; thence South 89°06'07" East a distance of 222.16 feet to a point on the West Maintenance Right-of-Way line of South Olive Avenue as shown in Road Plat Book 9, Page 164. of the Public Records of Palm Beach County, Florida; thence along said West Right-of-Way line for the following four (4) courses;

- 1) South 00°53'54" West a distance of 134.02 feet;
- 2) South 04°51'07" West a distance of 79.78 feet;
- 3) South 11°15'42" West a distance of 52.79 feet;
- 4) South 01°10'18" West a distance of 158.79 feet;

thence North 88°51'54" West, departing said Right-of-Way line, a distance of 126.46 feet to the POINT OF BEGINNING.

The West line of said Lot 3, CHADBOURNE COURT, is assumed to bear South 01°00'53" West and all other bearings are relative thereto.

Containing in all 90.261 square feet or 2.0721 acres, more or less.

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to this Series 2025A Note and the Loan Agreement (except for certain Unassigned Rights, as such term is defined in the Loan Agreement) and accordingly, all interest and principal payments due hereunder shall be paid in lawful money of the United States of America to the Trustee at 445 North Boulevard, Suite 201, Baton Rouge, Louisiana 70802, Attention: Corporate Trust Department as the assignee and holder of this Series 2025A Note or at such other place as the Trustee or other holder of this Series 2025A Note may designate in writing to the Issuer and the Borrower.

The Borrower shall pay or cause to be paid the principal of, and premium, if any, and interest on, this Series 2025A Note at such times and in such amounts that will permit the Issuer to make timely payments of the principal of, and premium, if any, and interest on, the Series 2025A Bonds.

Interest on this Series 2025A Note shall be computed and shall be payable on the same terms and conditions as the interest on the Series 2025A Bonds, and all of the terms and provisions of the Series 2025A Bonds pertaining thereto are incorporated by reference herein.

In any case where the date of maturity of interest on or principal of this Series 2025A Note or the date fixed for prepayment or redemption of this Series 2025A Note shall be on a day that is not a Business Day (as defined in the Loan Agreement), then payment of principal, premium, if any, or interest need not be made on such date but may be made on the immediately succeeding Business Day (as defined in the Loan Agreement) with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

The Borrower shall also pay to the Trustee any and all other sums that the Issuer is obligated to pay to the Trustee under the terms and provisions of the Indenture or the Loan Agreement.

This Series 2025A Note is subject to prepayment or redemption in the same manner as the Series 2025A Bonds, and all of the terms and provisions of the Series 2025A Bonds pertaining thereto are incorporated by reference herein.

Upon the occurrence of any Event of Default (as defined in the Loan Agreement) the entire unpaid balance of the principal of, and accrued interest on, this Series 2025A Note may, at the option of the Trustee, as provided in the Indenture, become immediately due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

This Series 2025A Note is subject to all of the terms and conditions of the Loan Agreement, which are hereby incorporated herein, with the same effect as if the Loan Agreement were fully set forth herein. Reference is hereby made to the Loan Agreement and the Indenture, executed counterparts of which are on file with the Issuer, the Borrower, and the Trustee, for a description of the security for this Series 2025A Note, the rights and obligations of

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EXHIBIT C

FORM OF SERIES 2025A NOTE

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE TRANSFERABILITY HEREOF IS RESTRICTED BY THE INDENTURE IDENTIFIED IN THE ASSIGNMENT ENDORSED HEREON.

THIS SERIES 2025A NOTE IS SUBJECT TO ALL THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT (THE "LOAN AGREEMENT") DATED AS OF JUNE 1 2025, BY AND BETWEEN THE ISSUER (AS DEFINED HEREIN) AND THE BORROWER (AS DEFINED HEREIN), INCLUDING THE PROVISIONS OF SECTION 10.06 THEREOF.

PROVIDENT GROUP – PBAU PROPERTIES II LLC
PROMISSORY NOTE, SERIES 2025A
(LIMITED RECOURSE)

\$ _____, 2025

FOR VALUE RECEIVED, the undersigned, **PROVIDENT GROUP – PBAU PROPERTIES II LLC** (together with its successors and assigns, the "Borrower"), a single member limited liability company organized and existing under the laws of the State of Florida, hereby promises to pay to the order of **PALM BEACH COUNTY, FLORIDA** (the "Issuer"), a public body corporate and politic organized under the laws of the State of Florida (the "State"), the principal sum of \$ _____ and to pay interest from the date of issuance and delivery of this Series 2025A Note on the unpaid principal amount of this Series 2025A Note, such principal and interest to be paid at the times, in the amounts and at the interest rates hereinafter provided.

This Series 2025A Note evidences the Borrower's indebtedness to the Issuer under the Loan Agreement, pursuant to which the Issuer has issued its Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Series 2025A in the principal amount of \$ _____ (the "Series 2025A Bonds") and loaned the proceeds thereof to the Borrower to pay costs and expenses incurred in connection with the design, development, construction, and equipping of a 25 story mixed-use tower containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility located on the third floor, and a multi-leveled structured parking facility located adjacent to the tower containing approximately 704 parking spaces and related improvements and amenities, including the buildings, furniture, fixtures, and equipment therefor (the "2025 Project"). In order to provide a source of payment for and to secure the Series 2025A Bonds, the Issuer has pledged and assigned to Hancock Whitney Bank, as Trustee (the "Trustee") under a Trust Indenture (the "Indenture") dated as of June 1 2025, by and between the Issuer and the Trustee its rights in and

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the Borrower and the Issuer in connection with the Series 2025 Project and the loan made to finance the acquisition, construction, furnishing, and equipping of the Series 2025 Project, and other matters affecting the indebtedness evidenced by this Series 2025A Note.

The Borrower and any endorsers hereof severally waive presentment, demand, protest, and notice (other than notices provided for in the Loan Agreement or as required by law).

This Series 2025A Note is issued with the intent that the laws of the State shall govern its construction.

IN WITNESS WHEREOF, the Borrower has caused this Series 2025A Note to be duly executed on its behalf as of the date above.

PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By: Provident Resources Group Inc., a
Georgia nonprofit corporation, its sole
member

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

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ENDORSEMENT

FOR VALUE RECEIVED, Palm Beach County, Florida (the "Issuer"), hereby irrevocably assigns and transfers the foregoing Series 2025A Note to the order of Hancock Whitney Bank (the "Trustee"), as Trustee under a Trust Indenture (the "Indenture") dated as of June 1, 2025, by and between the Issuer and the Trustee, without recourse or warranty, except warranty that the Issuer has not assigned the foregoing Series 2025A Note to a person other than the Trustee. The Issuer hereby directs the maker of the Series 2025A Note, Provident Group – PBAU Properties II LLC, to make all payments with respect to principal of, and interest on, the Series 2025A Note and all other payments required thereby directly to the order of the Trustee for the account of the Issuer at the Trustee's principal corporate trust office in Jacksonville, Florida, or such other place as the Trustee, or its successor in trust, may designate in writing.

IN WITNESS WHEREOF, the Issuer has caused this Endorsement to be executed in its name and on its behalf by its duly authorized officers as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

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ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Series 2025A Note by Palm Beach County, Florida to Hancock Whitney Bank, as Trustee.

Dated this June ____, 2025.

PROVIDENT GROUP – PBAU PROPERTIES II LLC

By: _____
Name: Steve E. Hicks
Title: Chief Executive

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EXHIBIT D

FORM OF SERIES 2025B NOTE

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE TRANSFERABILITY HEREOF IS RESTRICTED BY THE INDENTURE IDENTIFIED IN THE ASSIGNMENT ENDORSED HEREON.

THIS SERIES 2025B NOTE IS SUBJECT TO ALL THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT (THE "LOAN AGREEMENT") DATED AS OF JUNE 1 2025, BY AND BETWEEN THE ISSUER (AS DEFINED HEREIN) AND THE BORROWER (AS DEFINED HEREIN), INCLUDING THE PROVISIONS OF SECTION 10.06 THEREOF.

PROVIDENT GROUP – PBAU PROPERTIES II LLC - PALM BEACH ATLANTIC PROMISSORY NOTE, SERIES 2025B (LIMITED RECOURSE)

\$ _____, 2025

FOR VALUE RECEIVED, the undersigned, **PROVIDENT GROUP – PBAU PROPERTIES II LLC** (together with its successors and assigns, the "Borrower"), a single member limited liability company organized and existing under the laws of the State of _____, hereby promises to pay to the order of **PALM BEACH COUNTY, FLORIDA** (the "Issuer"), a public body corporate and politic organized under the laws of the State of Florida (the "State"), the principal sum of \$ _____ and to pay interest from the date of issuance and delivery of this Series 2025B Note on the unpaid principal amount of this Series 2025B Note, such principal and interest to be paid at the times, in the amounts and at the interest rates hereinafter provided.

This Series 2025B Note evidences the Borrower's indebtedness to the Issuer under the Loan Agreement, pursuant to which the Issuer has issued its Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Series 2025B (Taxable) in the principal amount of \$ _____ (the "Series 2025B Bonds") and loaned the proceeds thereof to the Borrower to pay costs and expenses incurred in connection with, and in order to deposit certain amounts related to, the financing of the design, development, construction, and equipping of 25 story mixed-use tower containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility located on the third floor, and a multi-leveled structured parking facility located adjacent to the tower containing approximately 704 parking spaces and related improvements and amenities, including the buildings, furniture, fixtures, and equipment thereof (the "2025 Project") as described in the Loan Agreement. In order to provide a source of payment for and to secure the Series 2025B Bonds, the Issuer has pledged and assigned to Hancock Whitney Bank, as Trustee (the

"Trustee") under a Trust Indenture (the "Indenture") dated as of June 1 2025, by and between the Issuer and the Trustee its rights in and to this Series 2025B Note and the Loan Agreement (except for certain Unassigned Rights, as such term is defined in the Loan Agreement) and accordingly, all interest and principal payments due hereunder shall be paid in lawful money of the United States of America to the Trustee at 445 North Boulevard, Suite 201, Baton Rouge, Louisiana 70802, Attention: Corporate Trust Department as the assignee and holder of this Series 2025B Note or at such other place as the Trustee or other holder of this Series 2025B Note may designate in writing to the Issuer and the Borrower.

The Borrower shall pay or cause to be paid the principal of, and premium, if any, and interest on, this Series 2025B Note at such times and in such amounts that will permit the Issuer to make timely payments of the principal of, and premium, if any, and interest on, the Series 2025B Bonds.

Interest on this Series 2025B Note shall be computed and shall be payable on the same terms and conditions as the interest on the Series 2025B Bonds, and all of the terms and provisions of the Series 2025B Bonds pertaining thereto are incorporated by reference herein.

In any case where the date of maturity of interest on or principal of this Series 2025B Note or the date fixed for prepayment or redemption of this Series 2025B Note shall be on a day that is not a Business Day (as defined in the Loan Agreement), then payment of principal, premium, if any, or interest need not be made on such date but may be made on the immediately succeeding Business Day (as defined in the Loan Agreement) with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

The Borrower shall also pay to the Trustee any and all other sums that the Issuer is obligated to pay to the Trustee under the terms and provisions of the Indenture or the Loan Agreement.

This Series 2025B Note is subject to prepayment or redemption in the same manner as the Series 2025B Bonds, and all of the terms and provisions of the Series 2025B Bonds pertaining thereto are incorporated by reference herein.

Upon the occurrence of any Event of Default (as defined in the Loan Agreement) the entire unpaid balance of the principal of, and accrued interest on, this Series 2025B Note may, at the option of the Trustee, as provided in the Indenture, become immediately due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

This Series 2025B Note is subject to all of the terms and conditions of the Loan Agreement, which are hereby incorporated herein, with the same effect as if the Loan Agreement were fully set forth herein. Reference is hereby made to the Loan Agreement and the Indenture, executed counterparts of which are on file with the Issuer, the Borrower, and the

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Trustee, for a description of the security for this Series 2025B Note, the rights and obligations of the Borrower and the Issuer in connection with the Series 2025 Project and the loan made to finance the acquisition, construction, furnishing, and equipping of the Series 2025 Project, and other matters affecting the indebtedness evidenced by this Series 2025B Note.

The Borrower and any endorser hereof severally waive presentment, demand, protest, and notice (other than notices provided for in the Loan Agreement or as required by law).

This Series 2025B Note is issued with the intent that the laws of the State shall govern its construction.

IN WITNESS WHEREOF, the Borrower has caused this Series 2025B Note to be duly executed on its behalf as of the date above.

PROVIDENT GROUP – PBAU PROPERTIES II LLC

By: Provident Resources Group Inc., a
Georgia nonprofit corporation, its sole
member

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

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ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Series 2025B Note by Palm Beach County, Florida to Hancock Whitney Bank, as Trustee.

Dated this ____ , 2025.

PROVIDENT GROUP – PBAU PROPERTIES II LLC

By: Provident Resources Group Inc., a
Georgia nonprofit corporation, its sole
member

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

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ENDORSEMENT

FOR VALUE RECEIVED, Palm Beach County, Florida (the "Issuer"), hereby irrevocably assigns and transfers the foregoing Series 2025B Note to the order of Hancock Whitney Bank (the "Trustee"), as Trustee under a Trust Indenture (the "Indenture") dated as of June 1 2025, by and between the Issuer and the Trustee, without recourse or warranty, except warranty that the Issuer has not assigned the foregoing Series 2025B Note to a person other than the Trustee. The Issuer hereby directs the maker of the Series 2025B Note, Provident Group – PBAU Properties II LLC, to make all payments with respect to principal of, and interest on, the Series 2025B Note and all other payments required thereby directly to the order of the Trustee for the account of the Issuer at the Trustee's principal corporate trust office in Jacksonville, Florida, or such other place as the Trustee, or its successor in trust, may designate in writing.

IN WITNESS WHEREOF, the Issuer has caused this Endorsement to be executed in its name and on its behalf by its duly authorized officers as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

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EXHIBIT E

REQUIRED INSURANCE

Insurance Coverage required under this Loan Agreement is as follows: Throughout the term of the Loan Agreement, the Borrower shall keep the Series 2025 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, which shall include, but not be limited to:

(a) commencing on the date of occupancy for the Series 2025 Project, insurance upon the repair or replacement basis in an amount of not less than one hundred percent (100%) of the then actual cost of replacement (subject to applicable sub-limits and aggregate limits of liability) of the Series 2025 Project against loss or damage by fire, lightning, windstorm, flood, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke and such other risks as are now or hereafter included in the uniform standard extended coverage endorsement in common use for similar structures (including vandalism and malicious mischief), with such deductible provisions as shall be reasonably obtainable;

(b) commencing on the date of occupancy for the Series 2025 Project, 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 2025 Project caused by covered damage to or destruction of the Series 2025 Project in an amount not less than the actual loss of revenue sustained as a result of and during the period of interruption;

(c) comprehensive general liability insurance providing insurance (with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence) covering all claims for bodily injury and property damage, including not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the completion of each Project component, and contract liability to cover all insurable property of the Borrower;

(d) commencing on the date any vehicle is acquired or hired by the Borrower for use with respect to the Series 2025 Project, automobile liability insurance providing insurance (with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence) to the extent of not less than a combined single limit of One Million Dollars (\$1,000,000) per accident covering liability arising out of the use of any Borrower vehicle or such vehicles used in conjunction with the Series 2025 Project, whether owned, non-owned, or hired, and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law;

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(e) at all times, insurance under the Federal Flood Insurance Program within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Act of 1973, as amended, if the Series 2025 Project is eligible under such program;

(f) commencing on the date the first employee of the Borrower is hired, workers' compensation coverage or other similar coverage covering all of the Borrower's employees on the Premises, as required by the laws of the State, including, with respect to workers' compensation insurance, Coverage B-Employer's liability limits of: bodily injury by accident – Five Hundred Thousand Dollars (\$500,000) each accident; and bodily injury by disease – Five Hundred Thousand Dollars (\$500,000) each employee;

(g) commencing on the Substantial Completion Date, to the extent that the Series 2025 Project contains a steam boiler, pressure vessels, or pressure piping and commencing on the Substantial Completion Date, boiler explosion insurance on steam boilers, if any, pressure vessels, and pressure piping in an amount not less than one hundred percent (100%) of the then actual cost of replacement (excluding costs of replacing excavations and foundations, but without deduction for depreciation) of the Series 2025 Project (with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence) provided, that such insurance need not be taken out until steam boilers, pressure vessels, or pressure piping are installed in the Series 2025 Project;

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(h) commencing on the Substantial Completion Date, fidelity bonds or employee dishonesty insurance in the amount of One Hundred Thousand Dollars (\$100,000) for all officers, agents, and employees of the Borrower with the responsibility of handling Pledged Revenues; and

(i) additional umbrella or excess liability coverage in an amount of Ten Million Dollars (\$10,000,000) in the aggregate, which shall include all coverages required by (c), (d), and (f) hereof.

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APPENDIX F
TRUST INDENTURE

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and	
HANCOCK WHITNEY BANK, as Trustee	
securing the	
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and	
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WHEREAS, the land on which the Series 2025 Project will be constructed is being leased to the Borrower pursuant to a Ground Lease Agreement (the "Ground Lease") dated June __, 2025 between the University, as landlord or lessor, and the Borrower, as tenant and lessee; and

WHEREAS, the University has agreed to act as the initial manager of the residential component of the Series 2025 Project pursuant to the Residential Management Agreement dated as of June __, 2025 between the Borrower as the owner and the University as the manager; and

WHEREAS, the University has agreed to sublease the parking structure and three floors of the tower component of the Series 2025 Project from the Borrower which will contain the parking component, the dining component, and the student recreation component of the Series 2025 Project pursuant to the terms of a University Sublease with the Borrower; and

WHEREAS, to evidence the obligation of the Borrower to make loan payments sufficient to pay the Debt Service Payments on the Series 2025A Bonds, the Borrower will execute and deliver to the Issuer its Promissory Note, Series 2025A (the "Series 2025A Note") dated [____], 2025 in the principal amount of \$____, and to evidence the obligation of the Borrower to make loan payments sufficient to pay the Debt Service Payments on the Series 2025B Bonds, the Borrower will execute and deliver to the Issuer its Promissory Note, Series 2025B (the "Series 2025B Note," and together with the Series 2025A Note, collectively, the "Series 2025 Notes") dated [____], 2025 in the principal amount of \$____; and

WHEREAS, in the event that additional amounts should be necessary to improve or expand the Series 2025 Project, to acquire or construct additional Projects or to refund the Series 2025 Bonds or any other bonds issued under this Indenture, provision has been made for the issuance of additional parity bonds of the Issuer from time to time as specified in Section 211 hereof (collectively, "Additional Bonds"); and

WHEREAS, to evidence the obligation of the Borrower to make loan payments sufficient to pay the Debt Service Payments on any Additional Bonds, the Borrower will execute and deliver to the Issuer its promissory note or notes (collectively, "Additional Notes") in an aggregate principal amount equal to the aggregate face amount of the Additional Bonds; and

WHEREAS, the Issuer and the Borrower have agreed, pursuant to a Loan Agreement (the "Loan Agreement") of even date herewith between the Issuer and the Borrower, that the Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower to finance the acquisition, construction, furnishing, and equipping of the Series 2025 Project and the Borrower will pay to the Issuer such loan payments at such times and in such amounts as will be required to pay the principal and redemption price of, and premium, if any, and interest on (collectively, the "Debt Service Payments"), the Series 2025 Bonds and any Additional Bonds as and when the same become due; and

WHEREAS, to secure its obligations to the Issuer under the Loan Agreement and the Series 2025 Notes and the Additional Notes (collectively, the "Notes"), the Borrower has, subject

TRUST INDENTURE

This TRUST INDENTURE, made and entered into as of June 1, 2025, by and between **PALM BEACH COUNTY, FLORIDA** (the "Issuer"), a political subdivision of the State of Florida (the "State") and **HANCOCK WHITNEY BANK**, a Mississippi state banking corporation, as trustee authorized to accept and execute trusts of the character herein set out (said corporation and any bank or trust company becoming successor trustee under the Indenture being hereinafter referred to as the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under and pursuant to the provisions of the Act (as hereinafter defined) to issue revenue bonds repayable solely from revenues derived from the sale, operation, or leasing of an "educational facility," as defined in the Section 159.27(22)(a), Florida Statutes, or other payments received under financing agreements with respect thereto; and

WHEREAS, the Act further authorizes the Issuer to lend the proceeds derived from the sale of bonds issued by it and to enter into financing agreements in order to evidence such loan; and

WHEREAS, the Issuer has authorized the issuance of its educational facility revenue bonds in the principal amount of \$[_____] to be designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Senior Series 2025A" (the "Series 2025A Bonds") and "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Subordinate Series 2025B" (the "Series 2025B Bonds," and together with the Series 2025A Bonds, collectively the "Series 2025 Bonds") for the purpose of providing funds to finance substantially all of the costs of the design, development, construction, and equipping of a 25 story mixed use building containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility located on the third floor, and a multi-leveled structured parking facility located adjacent to the tower containing approximately 704 parking spaces and related improvements and amenities, including the buildings, furniture, fixtures, and equipment therefor to be located on the Palm Beach Atlantic University (the "University") campus in West Palm Beach, Florida, and in Palm Beach County, Florida, (collectively, the "Series 2025 Project") which mixed-use educational facility will be owned and operated by Provident Group – PBAU Properties II LLC (the "Borrower"), a limited liability company organized and existing under the laws of the State of Florida, to fund interest on the Series 2025 Bonds during the period of construction of the Series 2025 Project, to fund the Debt Service Reserve Funds for the Series 2025 Bonds, to fund an operation and maintenance reserve fund and to fund the costs of issuance of the Series 2025 Bonds; and

to Permitted Encumbrances (as defined in the Loan Agreement), (i) granted to the Trustee a first mortgage lien on the Borrower's interest in the Premises (as hereinafter defined) and has assigned and pledged to the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and derived from the Series 2025 Project and any improvements thereto or expansions thereof pursuant to a Leasehold Mortgage and Assignment of Rents and Leases (the "Leasehold Mortgage") of even date herewith by the Borrower in favor of the Trustee, (ii) granted to the Trustee a first priority security interest in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Series 2025 Project and any improvements thereto or expansions thereof, in the Inventory (as hereinafter defined) and in the Equipment (as hereinafter defined) pursuant to a Security Agreement (the "Security Agreement") of even date herewith by and between the Borrower and the Trustee, and (iii) granted to the Trustee a first priority security interest in its rights under the Development Agreement dated [____], 2025, between the Borrower and PBAU DevCo LLC, a Florida limited liability company (the "Developer") pursuant to which the Developer has agreed to develop the Series 2025 Project and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project and any improvements thereto or expansions thereof pursuant to an Assignment of Contracts and Agreements (the "Assignment of Contracts and Agreements") of even date herewith by the Borrower in favor of the Trustee; and

WHEREAS, to secure its obligation to pay the Debt Service Payments on the Series 2025 Bonds and any Additional Bonds (collectively, the "Bonds"), the Issuer has agreed (i) to assign and pledge to the Trustee, and grant a first priority security interest to the Trustee in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), the Notes, and all revenues, payments, receipts, and moneys to be received and held thereunder, all pursuant to the granting clauses of this Indenture, and (ii) to endorse the Series 2025 Notes to the order of the Trustee; and

WHEREAS, the Issuer hereby finds and determines that the financing of the Series 2025 Project will further the purposes and policies of the Act; and

WHEREAS, the execution and delivery of this Indenture and the Loan Agreement and the endorsement of the Series 2025 Notes to the order of the Trustee were authorized by the Bond Resolution; and

WHEREAS, the Series 2025 Bonds to be issued, the Trustee's Certificate of Authentication to be endorsed thereon and the Assignment for Transfer thereof are to be in substantially the forms attached hereto as **Exhibit I** and **Exhibit J**, respectively, and any Additional Bonds, Trustee's Certificate of Authentication, and Assignment for Transfer are also to be in substantially the same forms (except as to redemption, mandatory sinking fund, and other provisions peculiar to such Additional Bonds), with necessary and appropriate variations, omissions, and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Series 2025 Bonds, when executed by the Issuer and when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding, and legal obligations of the Issuer according to the import thereof, to constitute this Indenture a valid lien on the interests in property hereby conveyed, a valid grant of a security interest in the interests in property hereby made, and a valid assignment and pledge of the revenues and receipts hereby made to secure the payment of the Debt Service Payments on the Bonds, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and performed, and the creation, execution, and delivery of this Indenture and the creation, execution, and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS TRUST INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the Debt Service Payments on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, transfer, convey, mortgage, pledge, and assign, without recourse and irrevocably in trust, unto the Trustee, and unto its successors in trust, and to its assigns forever, and does hereby grant a continuing security interest in (to the extent permitted by law), for the securing of the performance of the obligations of the Issuer and the Borrower hereinafter set forth, the property, real or personal, tangible or intangible, which property is more particularly described below:

GRANTING CLAUSE FIRST

All the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights) and any loan, financing, or similar agreement between the Issuer and the Borrower relating to Additional Bonds and (b) the Series 2025 Notes and any other Notes, 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, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the provisions of the foregoing or impair or diminish the right of the Issuer to enforce compliance with the obligations of the Borrower under the foregoing, as long as no Event of Default shall have occurred and shall be continuing hereunder.

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or otherwise of the Senior Bonds over the Subordinate Bonds as provided herein, subject at all times to the rights of the Trustee pursuant to Section 1102 hereof;

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay or cause to be paid to the Owners of the Bonds the Debt Service Payments on the Bonds due or to become due thereon at the times and in the manner stipulated therein and herein, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and if the Issuer shall well and truly keep, perform, and observe all and singular the covenants, conditions, and premises in the Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, determine, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be reasonably necessary to satisfy the lien hereof and reconvey to the Issuer the estate hereby conveyed and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture that may then be in its possession, except amounts in the funds created hereunder required to be paid to the Ground Lessor and/or the Borrower under Section 514 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Bonds; otherwise this Indenture to be and remain in full force and effect until such time as the Debt Service Payments thereon shall have been paid or provided for as hereinafter set out.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said revenues, receipts, and property hereby conveyed, pledged, mortgaged, and assigned and that are the subject of a grant of a security interest are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the Owners, from time to time, of the Bonds, as follows:

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GRANTING CLAUSE SECOND

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 Bonds and all moneys held by the Trustee in the funds created under this Indenture (excluding the Rebate Fund), including the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, and the Surplus Fund created hereunder, or held by the 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.

GRANTING CLAUSE THIRD

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 Trustee under the terms of this Indenture 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 hereunder by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

GRANTING CLAUSE FOURTH

The Leasehold Mortgage together with other property of every name and nature from time to time hereafter by delivery or by writing mortgaged, assigned, pledged, delivered, or hypothecated as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee, and the Trustee is hereby authorized to receive all such property at any time and to hold and apply the same subject to the terms hereof.

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;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged, conveyed, and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture with priority as to the lien

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ARTICLE I DEFINITIONS

Section 101. Definitions. Certain words and terms used in this Indenture shall have the meaning given them in Section 1.01 of the Loan Agreement which by this reference are incorporated herein. In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings set forth below. When used herein, such words and terms shall have the meanings given to them by the language employed in Section 1.01 of the Loan Agreement and in this Article I defining such words and terms, unless the context or use clearly indicates otherwise.

"2025A Subaccount of the Capitalized Interest Account" means the subaccount of the Capitalized Interest Account of that name created in Section 502(b) hereof.

"2025B Subaccount of the Capitalized Interest Account" means the subaccount of the Capitalized Interest Account of that name created in Section 502(b) hereof.

"Authorized Denominations" means \$100,000 and any multiple of \$5,000 in excess thereof, and with respect to a Series of Additional Bonds, the amount set forth in the related Supplemental Indenture approved by the Issuer.

"Beneficial Owners," if the Bonds are not held under the Book-Entry System, means, collectively, the Owners and, if the Bonds are held under a Book-Entry System, means, collectively, the Persons in whose names Bonds are recorded as beneficial owners of such Bonds with the Securities Depository (and while DTC is the Securities Depository, in the name of its nominee, Cede & Co.) or a Participant or an Indirect Participant, as the case may be, as established in writing by letter of such persons or entities to the Trustee (each, a "Beneficial Owner").

"Bond Resolution" means Resolution R2025-0506 adopted by the Issuer on April 8, 2025 authorizing the issuance of the Bonds.

"Book-Entry System" means the system of evidence and transfer of ownership of the Bonds maintained by the Securities Depository described in Section 213 hereof.

"Campus" means the campus of the Palm Beach Atlantic University located in West Palm Beach, Florida.

"Clerk" means the Clerk and Comptroller of Palm Beach County, Florida or any deputy thereof.

"Corporation" means Provident Resources Group Inc. a non-profit corporation organized and existing under the laws of Georgia and a Tax-Exempt Organization.

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"Defaulted Interest" means any interest on any Bond that is due and payable, but that is not punctually paid or duly provided for on any Interest Payment Date.

"DTC" means The Depository Trust Company or any successor Securities Depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such brokers, dealers, banks, trust companies, clearing corporations, and other organizations.

"Event of Default" means each of the events specified in Section 1001 hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fixed Charges Coverage Ratio" means, for any period, the ratio of Revenue Available for Fixed Charges to Fixed Charges with respect to the Senior Bonds.

"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 and evidence of direct ownership interest in amounts payable on any of the foregoing.

"Indirect Participants" means those broker-dealers, banks, and other financial institutions from time to time for which the Securities Depository holds Bonds as a securities depository through a Participant (each, an "Indirect Participant").

"Inventory" shall have the meaning ascribed to such term in the Security Agreement.

"Letter of Representations" means the Blanket Letter of Representations dated December 21, 2021, executed by the Issuer and delivered to DTC and any amendments thereto or any successor blanket agreement(s) between the Issuer and any successor Securities Depository, relating to the Book-Entry System be maintained by the Securities Depository with respect to any Bonds issued by the Issuer hereunder.

"Majority of the Bondholders" means (i) when any of the Senior Bonds remain Outstanding, a Majority of the Senior Bondholders, (ii) when no Senior Bonds are Outstanding, the Owners of more than 50% in aggregate principal amount of the Series 2025B Bonds then Outstanding.

"Majority of the Senior Bondholders" means the Owners of more than 50% in aggregate principal amount of the Senior Bonds then Outstanding.

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of the Securities Investors Protection Corporation if (i) such obligations that are the subject of such repurchase agreement are delivered to the Trustee or are supported by a safekeeping receipt issued by depository that is a regular market participant in such transactions, provided that such repurchase agreement must provide that the value of the underlying obligations will be maintained at current market value, calculated no less frequently than monthly, of not less than the repurchase price, (ii) a prior perfected security interest in the obligations which are the subject of such repurchase agreement has been granted to the Trustee, and (iii) such obligations are free and clear of any adverse third-party claims;

(f) domestic commercial paper maturing in 270 days or less and rated, at the time of purchase, "Prime - 1" or better by Moody's or "A-" or better by S&P or "FI" or better by Fitch. ;

(g) money market mutual funds invested solely in obligations listed in paragraphs (a) through (d) above;

(h) investment agreements with any nationally or state-chartered bank, financial institution, insurance company or trust company (the "agreement counterparty") which is rated in one of the three highest rating categories without regard to gradation by at least one nationally recognized rating agency, at the time of acquisition thereof.

(i) certificates or receipts issued by any nationally or state-chartered bank, trust company or "broker" or "dealer" (as defined by the Securities Exchange Act of 1934, as amended) which is a member of the Securities Investors Protection Corporation, organized and existing under the laws of the United States of America or any state thereof, the outstanding unsecured long-term debt of which is rated in either of the three highest rating categories without regard to gradation by at least one nationally recognized rating agency, in the capacity of custodian, which certificates or receipts evidence ownership or a portion of the principal of or interest on Government Obligations held (which may be in book entry form) by such bank, trust company or broker or dealer (as defined by the Securities Exchange Act of 1934, as amended) as custodian; and

(j) tax-exempt obligations (as defined in Section 150(a)(6) of the Code and which are not "investment property" as defined in Section 148(b)(2) of the Code) rated in at least one of the three highest rating categories without regard to gradation by at least one nationally recognized rating agency;

but "Permitted Investments" does not include a financial instrument, commonly known as a "derivative," whose performance is derived, at least in part, from the performance of any underlying asset, including, without limitations, futures, options on securities, options on futures, forward contracts, swap agreements, structured notes and participations in pools of mortgages or other assets. All ratings will be determined at the time of initial investment. The Trustee has no obligation to monitor any changes in such ratings.

"Property" means the land described in Exhibit A attached hereto which, by this reference thereto, is incorporated herein.

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"Operations Contingency Required Fund Balance" means an amount equal to 20% of the amount of the Expenses as set forth in the Annual Budget by the Borrower as required by Section 8.07 of the Loan Agreement.

"Participants" means those broker-dealers, banks, and other financial institutions from time to time for which the Securities Depository holds Bonds as a securities depository (each, a "Participant").

"Permitted Investments" means any one or more of the following investments, if and to the extent the same are then legal investments under applicable law (such legality to be determined by an Authorized Borrower Representative and not the Trustee):

(a) Government Obligations;

(b) debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality, corporation, or government-sponsored enterprise (GSE), including but not limited to: Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit System, Tennessee Valley Authority, and REFCORP principal strips;

(c) direct and general obligations of any state of the United States of America or any municipality or political subdivision of such state, or obligations of any corporations, if such obligations are rated in at least one of the three highest rating categories without regard to gradation by at least one nationally recognized rating agency;

(d) negotiable or nonnegotiable certificates of deposit, time deposits, or other similar banking arrangements, issued by any nationally or state-chartered bank or trust company (including the Trustee) or any savings and loan association, domestically domiciled, if either (i) the long-term obligations or deposits of such bank or trust company are rated in at least one of the three highest rating categories without regard to gradation by at least one nationally recognized rating agency or (ii) the deposits are continuously secured as to principal, but only to the extent not insured by the Federal Deposit Insurance Corporation, or similar corporation chartered by the United States of America, (1) by lodging with a bank or trust company, as collateral security, obligations described in paragraph (a), (b), (c) or (f) or, with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States of America or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (2) if the furnishing of security as provided in clause (1) of this paragraph is not permitted by applicable law, in such manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for the deposit of trust funds;

(e) repurchase agreements with respect to obligations listed in paragraph (a), (b) or (c) above if entered into with a nationally or state-chartered bank, trust company or a "broker" or "dealer" (as defined by the Securities Exchange Act of 1934 as amended) which is a member

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"Regular Record Date" means the fifteenth (15th) day of the month (whether or not such day is a Business Day) immediately preceding each Interest Payment Date.

"Residential Management Agreement," with respect to the Series 2025 Bonds, means (i) the Residential Management Agreement of dated June __, 2025 between the Borrower and the University acting as the Residential Manager, as the same may be amended and/or supplemented from time to time and (ii) any management or similar agreement between the Borrower and any successor Residential Manager relating to the management of the student housing component of the Series 2025 Project, meeting the requirements hereunder, as the same may be amended and/or supplemented from time to time.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the Corporate Trust Department (or any successor group of the Trustee) including, without limitation, any vice president, assistant vice president, assistant secretary, or any other officer or assistant officer of the Trustee designated by the Trustee and who is located at the Office of the Trustee (collectively, the "Responsible Officers").

"Securities Depository," with respect to the Series 2025 Bonds, means DTC or other recognized securities depository selected by the Issuer at the request of the Borrower that maintains the Book-Entry System in respect of such Bonds and agrees to follow the procedures required to be followed hereunder by a securities depository and shall include any substitute for or successor to the securities depository initially acting as securities depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Bond Register the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in the Book-Entry System.

"Senior Bonds" means the Series 2025A Bonds and any Additional Bonds having a lien on the Trust Estate on a parity with the lien thereon of the Series 2025A Bonds and superior to the lien on the Trust Estate of the Subordinate Bonds.

"Senior Debt Service Reserve Requirement" means, with respect to the Series 2025A Bonds, amount equal to the least of (A) the Maximum Annual Debt Service for the Series 2025A Bonds, (B) 125% of the average Annual Debt Service for the Series 2025A Bonds, and (C) 10% of the original proceeds (within the meaning of the Code) of the Series 2025A Bonds.

"Special Record Date," for the payment of any Defaulted Interest, means the date fixed by the Trustee pursuant to Section 208 hereof.

"Subordinate Bonds" means the Series 2025B Bonds.

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"Subordinate Debt Service Reserve Requirement," with respect to the Series 2025B Bonds, means an amount equal to the least of (A) the Maximum Annual Debt Service for the Series 2025B Bonds, (B) 125% of the average Annual Debt Service for the Series 2025B Bonds, and (C) 10% of the original proceeds (within the meaning of the Code) of the Series 2025B Bonds.

"Super-Majority of the Bondholders" means (i) when any of the Senior Bonds remain Outstanding, the Owners of not less than two-thirds (2/3rd) in aggregate principal amount of the Senior Bonds then Outstanding, (ii) when no Senior Bonds are Outstanding, the Owners of not less than two-thirds (2/3rd) in aggregate principal amount of the Subordinate Bonds then Outstanding.

"Valuation Dates" means, collectively, the dates on which the Trustee shall be required to determine the Value of the cash and investments in the Debt Service Reserve Fund, which dates shall be (i) the date on which any portion of a Series of Bonds shall be defeased in accordance with the provisions of Section 901 of the Indenture and (ii) prior to a determination that such Value is less than the Debt Service Reserve Requirement (a "Deficiency Determination"), December 31st of each year and, after a Deficiency Determination, the last day of each month until the Value of the cash and investments in the Debt Service Reserve Fund again equals or exceeds the Debt Service Reserve Requirement; provided, however, if any such day is not a Business Day the Trustee shall make such determination as of the immediately succeeding Business Day (each, a "Valuation Date").

"Value," with respect to Permitted Investments, means (i) 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 investment so published on or most recently prior to such time of determination; (ii) 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 time of determination for such investment by any two (2) 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; (iii) with respect to certificates of deposit and bankers' acceptances, means the face amount thereof, plus accrued interest; (iv) with respect to agreements described in items (xi) and (xii) of the definition of Permitted Investments that permit the Borrower to withdraw amounts invested thereunder at any time without penalty, the amount available to be withdrawn therefrom; and (v) with respect to any investment not specified above, means the value thereof established by prior agreement between the Issuer and the Borrower.

Section 102. Rules of Construction. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

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on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, and the Bonds may be issued and delivered as if such officer had remained in office until delivery.

(b) The Bonds shall be limited and special obligations of the Issuer and shall be payable solely and only from the Security, and neither the Bonds nor the interest thereon shall constitute an indebtedness or a pledge of the faith and credit of the Issuer, the University, the State, or any political subdivision of the State within the meaning of any State constitutional provision, statutory limitation, or charter provision and will not constitute or give rise to a pecuniary liability of the Issuer, the University, the State, or any political subdivision of the State or a charge against the general credit or taxing power of any of them. The issuance of the Bonds shall not directly or indirectly or contingently obligate the Issuer, the State, or any political subdivision of the State to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. Neither the members of the Issuer nor any person executing any of the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. No failure of the Issuer to comply with any term, covenant, or agreement herein or in any document executed by the Issuer in connection with this Indenture, the Loan Agreement, or the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the funds available hereunder. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the funds available hereunder.

(c) Until Bonds in definitive form of any Series are ready for delivery, or by agreement with the purchasers of all Bonds of any Series, the Issuer may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of definitive Bonds, subject to the same provisions, limitations, and conditions, one or more printed, lithographed, or typewritten Bonds in temporary form, substantially of the tenor of the Bonds in this Article II described, with appropriate omissions, variations, and insertions as may be required. Bonds in temporary form shall be for such principal amounts as the Issuer shall determine.

(d) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the same security, lien, and benefit hereof and shall have the same rights, remedies, and security hereunder as definitive Bonds to be issued and authenticated hereunder. The Issuer shall, without unreasonable delay, prepare, execute, and deliver definitive Bonds to the Trustee, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Trustee at the Office of the Trustee, the Trustee shall cancel the same and authenticate and deliver, in exchange therefor, a Bond or Bonds of the same maturity, interest rate, and Series in definitive form in Authorized Denominations, and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without making any charge therefor to any Bondholder.

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(a) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(b) The term "this Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(c) All references in this instrument to designated "Articles," "Sections," "subsections," "paragraphs," "clauses," and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses, and other subdivisions of this instrument.

(d) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(e) The words "herein," "hereby," "hereunder," "hereof," "hereinaabove," "hereinafter," and other equivalent words and phrases refer to this Indenture and not solely to the particular portion hereof in which any such word is used.

(f) All references to times of the day shall, unless otherwise stated, be deemed to be references to eastern time (daylight or standard, as applicable).

Section 102. Table of Contents; Titles and Headings. The table of contents, the titles of the articles, and the headings of the sections of this Indenture are solely for convenience of reference, are not a part of this Indenture, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

ARTICLE II THE BONDS

Section 201. Restriction on Issuance of Bonds. No Bonds may be issued under the provisions hereof except in accordance with this Article. The total principal amount of Series 2025 Bonds that may be issued hereunder is expressly limited to \$_____, provided, however, that Additional Bonds may be issued as provided in Section 211 hereof.

Section 202. Execution; Limited Obligation; Temporary Bonds.

(a) The Bonds shall be executed on behalf of the Issuer by the Mayor with his or her manual or facsimile signature and shall be attested by the Clerk with his or her manual or facsimile signature, and the official seal of the Issuer shall be impressed or reproduced thereon. All such facsimile signatures shall have the same force and effect as if said officers had manually signed each of the Bonds. The reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed

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Section 203. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth and duly executed by the Trustee shall be entitled to any right, security, or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed by it if (a) it is signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds or on all of the Bonds of any Series issued hereunder, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of registration and authentication.

Section 204. Form; Denomination; Medium of Payment. The Bonds shall be issuable only as fully registered bonds without coupons in Authorized Denominations. The Bonds shall be substantially in the form set forth in Exhibit I and Exhibit J hereof, which, by this reference thereto, is incorporated herein, with such variations, insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. Debt Service Payments on the Bonds shall be payable in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

Section 205. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of like date, number, Series, interest rate, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided, that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft, or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, shall be about to mature, or shall have been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof, provided that the conditions of this Section 205 shall have been satisfied. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection with actions taken under this Section and may require the Owner of such Bond to pay any shipping charge, insurance premium, tax, fee, or other governmental charge that may be imposed in relation thereto as conditions precedent to the issuance of any replacement Bond(s). The Issuer shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this Section shall be construed to be in derogation of any rights that the Issuer or the Trustee may have to receive indemnification against liability or payment or reimbursement of expenses in connection with the issue of a replacement Bond.

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(b) Every substituted Bond issued pursuant to this Section shall constitute an original, additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, lost, stolen, or destroyed shall be at any time enforceable by anyone and shall be entitled to all the rights and benefits hereof equally and proportionately with any and all other Bonds Outstanding of the same Series duly issued hereunder.

(c) All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, lost, stolen, or destroyed Bonds and shall preclude any and all other rights or remedies.

Section 206. Cancellation and Destruction of Surrendered Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 205 hereof, or for transfer or exchange pursuant to Section 207 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Trustee, and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the Issuer, if requested.

Section 207. Negotiability; Registration, Transfer, and Exchange.

(a) The Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State, and the Bondholders, in accepting any of the Bonds, shall be conclusively deemed to have agreed that the Bonds shall be and have all of said qualities and incidents of negotiable instruments. The Series 2025 Bonds shall initially be sold to "qualified institutional buyers" (within the meaning of Rule 144a promulgated under the Securities Act of 1933, as may be amended) which qualified institutional buyer has provided an Investor Representation Letter, substantially in the form set forth in Exhibit "K" hereto, to the Trustee, and the Issuer upon the initial delivery of the Series 2025 Bonds. Subsequent resales of the Series 2025 Bonds shall be required to be to qualified institutional buyers. Notice of the foregoing restrictions shall be printed on each Series 2025 Bond. A transfer in violation of this requirement shall be null and void.

(b) The Issuer shall cause the Bond Register to be kept by the Trustee which is hereby appointed the Issuer's bond registrar and agent for the transfer and exchange of the Bonds and as such, shall maintain the Bond Register. The Trustee, for and on behalf of the Issuer, shall keep the Bond Register in which shall be recorded any and all transfers of ownership of Bonds. No Bonds shall be registered to bearer. The Bond Register shall at all times comply with all requirements of Section 149(a) of the Code and all Regulations from time to time promulgated thereunder as may be applicable to the Bond Register. Any Bond may be transferred upon the Bond Register upon surrender thereof at the Office of the Trustee by the Owner in person or by his, her, or its attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature

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(f) The execution and attestation by the manual or facsimile signature of the Mayor of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same obligation as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds (or portions thereof) surrendered. The Trustee shall not be required to transfer or exchange any Bond (i) after the notice calling such Bond (or portion thereof) for redemption shall have been given as herein provided or (ii) during the period beginning at the opening of business on the fifteenth (15th) day (whether or not a Business Day) immediately preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

Section 208. Number and Payment Provisions.

(a) The Bonds of each Series shall be numbered consecutively from R-1 upward, or in such other manner as the Issuer, with the concurrence of the Trustee, shall determine. Each Bond shall bear interest from the Interest Payment Date immediately preceding the date of registration and authentication thereof unless it is registered and authenticated as of an Interest Payment Date, in which event, it shall bear interest from such date, or unless it is registered and authenticated prior to the first Interest Payment Date, in which event, it shall bear interest from its date, or unless, as shown by the records of the Trustee, interest on the Bonds shall be in default, in which event, it shall bear interest from the date to which interest shall have been paid in full, or unless no interest shall have been paid on the Bonds, in which event, it shall bear interest from its date. The Trustee shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of certificate of registration and authentication of the Trustee to be printed on each Bond. If interest on the Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered.

(b) Principal of and premium, if any, on the Bonds shall be payable by check or draft to the Owner of each Bond upon presentation and surrender of such Bond when due at the Office of the Trustee. Payment of interest on any Bond shall be made to the Person in whose name such Bond is registered at the close of business on the Regular Record Date for such payment and shall be paid by check or draft mailed to such Person at his, her, or its address as it appears on the Bond Register, irrespective of any transfer or exchange of such Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, by the Person in whose name such Bond is registered. At the option of the Owner of Bonds of any Series, if such Owner is the owner of not less than Five Hundred Thousand Dollars (\$500,000) in aggregate principal amount outstanding of Bonds, interest shall be paid by wire transfer in immediately available funds in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Regular Record Date. Interest shall continue to be paid in accordance with such instructions, until revoked, except for the final payment of interest upon maturity or

satisfactory to the Trustee duly executed by the Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing and upon payment by such Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture. Upon any such registration of transfer, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee a new fully registered Bond or Bonds of like tenor; in Authorized Denominations; of the same Series, maturity or maturities, and interest rate or rates; and in the same aggregate principal amount, and the Trustee shall enter the transfer of ownership in the Bond Register. No transfer of any Bond shall be effective until entered on the Bond Register. Notwithstanding the foregoing, for so long as Bonds of a Series shall be held under the Book-Entry System, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository.

(c) Any Bonds, upon surrender thereof at the Office of the Trustee together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by the Owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the Owner thereof, and upon payment by such Owner of a sum sufficient to cover any shipping charge, insurance premium, governmental tax, fee, or charge required to be paid as provided in this Indenture, when not prohibited by law, for an equal aggregate principal amount of Bonds of the same Series, interest rate, designation, and maturity or maturities and in any other Authorized Denominations and registered in the name of the same Owner. When Bonds are presented for exchange in accordance with this Section 207, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver Bonds that the Owner making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, shall enter the exchange in the Bond Register.

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

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

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redemption prior to maturity which shall be paid only upon presentation of the Bond to the Trustee. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SUBSECTION, WHILE A SECURITIES DEPOSITORY OR ITS NOMINEE IS THE OWNER OF BONDS OF A SERIES, ALL DEBT SERVICE PAYMENTS THEREON SHALL BE PAID TO THE SECURITIES DEPOSITORY OR ITS NOMINEE IN ACCORDANCE WITH THE LETTER OF REPRESENTATIONS.**

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

(i) The Trustee may elect to make payment of any Defaulted Interest on the Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be paid solely from amounts held under this Indenture, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than ten (10) days preceding such Special Record Date, to each Owner at his, her, or its address as it appears in the Bond Register at the close of business on the fifth (5th) day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (ii).

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

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SUBSECTION, WHILE DTC IS THE OWNER OF BONDS, ALL DEBT SERVICE PAYMENTS ON THE BONDS SHALL BE PAID TO DTC OR ITS NOMINEE IN ACCORDANCE WITH THE LETTER OF REPRESENTATIONS.

(d) Any provision hereof to the contrary notwithstanding, to the extent the interest on any Series 2025B Bond is not paid on any Interest Payment Date, such nonpayment shall not

constitute an Event of Default hereunder and such interest shall continue to accrue until paid as set forth in Section 501 hereof.

Section 209. Details of the Bonds.

(a) The Series 2025A Bonds in the aggregate principal amount of \$_____ shall be designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Senior Series 2025A" and shall be dated [_____] 2025. The Series 2025A Bonds shall mature on October 1 in the years noted below and in the amounts set forth below, unless earlier called for redemption, shall bear interest at the rates per annum set forth below, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on October 1, 2025, and semiannually thereafter on April 1 and October 1 of each year, and shall be sold at the prices set forth below:

October 1 of the Year	Principal Amount	Interest Rate

The Series 2025A Bonds shall bear interest on overdue principal at the aforesaid rates.

(b) The Series 2025B Bonds in the aggregate principal amount of \$_____ shall be designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Subordinate Series 2025B" and shall be dated [_____] 2025. The Series 2025B Bonds shall mature on October 1 in the years noted below and in the amounts set forth below, unless earlier called for redemption, shall bear interest at the rates per annum set forth below, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on October 1, 2025, and semiannually thereafter on April 1 and October 1 of each year, and shall be sold at the prices set forth below:

October 1 of the Year	Principal Amount	Interest Rate

The Series 2025B Bonds shall bear interest on overdue principal at the aforesaid rates.

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Consultant), all insurance policies (and all provisions thereof) maintained by the Borrower are customary in the case of businesses engaged in the same or similar activities and similarly situated and are adequate to protect the Borrower's property and operations;

(viii) a Form 8038 executed by the Issuer relating to the Series 2025 Bonds;

(ix) opinions of (A) counsel for the Issuer, (B) Bond Counsel, (C) counsel for the Borrower and the Corporation, and (D) counsel for the Ground Lessor and the University conforming to the requirements of the Bond Purchase Agreement; and

(x) such other documents, certificates, and instruments in connection with the transactions contemplated by this Indenture, in form and substance satisfactory to Bond Counsel and the Underwriter as they may reasonably request.

(c) Upon receipt of the foregoing and of the purchase price for the Series 2025 Bonds, the Trustee shall register, authenticate, and deliver the Series 2025 Bonds to or upon the order of the Underwriter.

Section 211. Issuance of Additional Bonds.

(a) So long as no Event of Default hereunder shall then be existing, Additional Bonds may be issued by the Issuer upon the request of the Borrower to provide funds to pay any one or more of the following: (i) the costs of completing a portion of a Project, (ii) the costs of refunding any Bonds, (iii) the costs to acquire or construct a Project, and (iv) in each such case, the costs of the issuance and sale of the Additional Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer.

Additional Senior Bonds will be issued on a parity with the Series 2025A Bonds. Any Additional Senior Bonds theretofore or thereafter issued will be secured by the lien and security interests granted by the Leasehold Mortgage and Security Agreement and, equally and ratably with the Series 2025A Bonds and any Additional Senior Bonds theretofore or thereafter issued.

An amount equal to the Senior Debt Service Reserve Requirement for such Additional Senior Bonds will be deposited into a separate Account of the Debt Service Reserve Fund or, if provided for in a Supplemental Indenture, into the applicable Account established hereunder for the Series 2025 Bonds, in which case, the Account will be a shared Account benefitting the Series 2025A Bonds and any Additional Senior Bonds identified in such Supplemental Indenture.

(b) Prior to the issuance of any Additional Senior Bonds to finance the cost of acquiring, constructing or completing a Project, there shall be prepared and filed with the Trustee a certificate of the Borrower approved by an Independent Engineer setting forth the

Section 210. Delivery of the Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2025A Bonds in the aggregate principal amount of \$_____ and the Series 2025B Bonds in the aggregate principal amount of \$_____ and deliver them to the Persons designated by the Underwriter.

(b) Prior to the registration and authentication by the Trustee of any of the Series 2025 Bonds, there shall be filed with the Trustee:

(i) a closing certificate of the Issuer incorporating a copy of the Bond Resolution and conforming to the requirements of the Bond Purchase Agreement;

(ii) a closing certificate of the Borrower incorporating a copy of the Borrower's Articles of Organization and its limited liability company operating agreement and a copy of the resolution of the Board of Directors of the Corporation authorizing the execution and delivery of the Borrower Documents and all other documents to be delivered by the Borrower in connection with the transactions contemplated by said instruments and conforming to the requirements of the Bond Purchase Agreement;

(iii) fully executed originals or counterparts of each of the Bond Documents and of the Residential Management Agreement;

(iv) the title insurance policy or commitment required by Section 3.05 of the Loan Agreement; the performance and labor and material payment bonds required by Section 4.01(c) of the Loan Agreement; and the Plans and Specifications;

(v) a plat of survey of the Property made by a registered civil engineer or surveyor and acceptable to the Underwriter whose acceptance thereof shall be evidenced by its payment of the purchase price for the Series 2025 Bonds;

(vi) a request and authorization from the Issuer to the Trustee to authenticate and deliver the Series 2025 Bonds to such Person or Persons named therein upon payment to the Trustee for the account of the Issuer of the specified purchase price therefor and the receipt by the Trustee, for the account of the Issuer, of the purchase price therefor;

(vii) a certificate of the Insurance Consultant to the effect that all insurance policies required by Sections 4.01 and 6.04 of the Loan Agreement and Section 21 of the Ground Lease to be in effect on the date of delivery of the Series 2025 Bonds are in effect (or upon occupying of the Series 2025 Project, as applicable), which includes certificates of insurance evidencing such insurance, and that such policies of insurance meet the requirements of Sections 4.01, 6.04, and 6.06 of the Loan Agreement and Section 21 of the Ground Lease, and that, other than those insurance policies or provisions that are not commercially available at a reasonable premium (as determined by the Insurance

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estimated costs of the proposed acquisition, construction or completion or the proposed Additions or Alterations to a Project, including an allowance for contingencies, the estimated date on which the completed Project will be placed in service or completed, and the amount, if any, provided or to be provided by the Borrower from other sources toward payment of the costs of completion of the Project and the manner in which such funds will be provided.

(c) Prior to the issuance of any Additional Senior Bonds to finance the costs of acquiring, constructing or completing a portion of a Project, the Borrower shall furnish to the Trustee a written report of a Financial Consultant showing that (giving effect to the issuance or incurrence of such Additional Bonds) (i) the expected Fixed Charges Coverage Ratio for each of the three (3) Annual Periods immediately following the Annual Period in which the completed Project is expected to be placed in operation is not less than 1.25 on the Senior Bonds and (ii) the expected Revenue Available for Fixed Charges for each Annual Period until the Project is expected to be placed in operation plus any capitalized or funded interest is sufficient to pay the Fixed Charges, including the Fixed Charges that relate to the proposed Additional Senior Bonds, for each Annual Period until the Project is expected to be placed in operation.

(d) Additional Senior Bonds in an amount not to exceed ten percent (10%) of the principal amount of the Series 2025A Bonds may be issued to provide funds to complete the acquisition, construction, furnishing, and equipping of the Series 2025 Project, without regard to the requirements of subsection (c) of this Section 211.

(e) Prior to the issuance of any Additional Senior Bonds to refund any Senior Bonds that results in the refunding of less than all of the then Outstanding Bonds, there shall be prepared and filed with the Trustee:

(i) a written report or opinion of an Accountant to the effect that the debt service requirements on all Senior Bonds (assuming no more Senior Bonds are issued after the proposed refunding) for any Annual Period subsequent to the refunding to and including the Annual Period of the final maturity of Senior Bonds outstanding prior to the refunding will not, as a result of such refunding, exceed the debt service requirements for any such Annual Period had such refunding not occurred; or

(ii) (A) the certificates or schedules regarding the Fixed Charges Coverage Ratio on the Senior Bonds required by Section 8.05 of the Loan Agreement evidencing that for each of the two Annual Periods immediately preceding the issuance of the proposed Additional Bonds the Fixed Charges Coverage Ratio on the Senior Bonds was greater than or equal to 1.25 and (B) a written report of a Financial Consultant showing that (giving effect to the issuance of such Additional Senior Bonds and to the refunding) the expected Fixed Charges Coverage Ratio on the Senior Bonds for the Annual Period immediately following such refunding is not less than 1.25; or

(iii) a written report or opinion of an Accountant to the effect that for each of the three (3) Annual Periods immediately preceding the issuance of the proposed

Additional Senior Bonds the Fixed Charges Coverage Ratio on the Senior Bonds, determined by the application of *pro forma* adjustments to Fixed Charges, as determined from the audited financial statements of the Borrower furnished to the Trustee pursuant to Section 8.05 of the Loan Agreement, that substitute the debt service on the proposed Additional Senior Bonds for the actual debt service on the Bonds proposed to be refunded for each such Annual Period, was greater than or equal to 1.25; or

(iv) forecasted financial statements for the three (3) Annual Periods immediately following such refunding, that give a written report of a Financial Consultant showing that (giving effect to the issuance of such Additional Senior Bonds and to the refunding) the expected Fixed Charges Coverage Ratio on the Senior Bonds for each of the three (3) Annual Periods immediately following such refunding is not less than 1.35.

(f) Any Additional Senior Bonds shall be secured by the lien and security interests granted by the Leasehold Mortgage, the Security Agreement, the Loan Agreement (if any) and this Indenture and shall be equal, without preference or priority, to the lien and security interest provided for the Series 2025 Bonds.

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

(h) No Subordinate Bonds other than the Series 2025B Bonds may be issued under the terms of this Indenture.

(i) Notwithstanding anything else contained herein or in the Loan Agreement, the Borrower is authorized to incur additional Indebtedness in the form of capital leases for the acquisition of equipment, provided such amount is included in the Annual Budget.

Section 212. Delivery of Additional Bonds.

(a) Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the Issuer shall execute and deliver to the Trustee, and the Trustee shall register and authenticate, Additional Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer, as hereinafter in this Section 212 provided.

(b) Prior to the delivery by the Trustee of any such Additional Bonds, there shall be filed with the Trustee:

(i) a valid and effective amendment to the Loan Agreement providing for the inclusion within the Project of any real estate and interests therein and any buildings,

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plus any accrued interest; the proceeds of such Additional Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund or to such other funds as are provided and created by the supplemental indenture;

(viii) a certificate signed by an officer of the Borrower to the effect that no Event of Default under the Security Documents is then existing or will result from the issuance of such Additional Bonds;

(ix) a Favorable Opinion of Bond Counsel and an Opinion of Counsel to the effect that the Additional Bonds are of equal lien and dignity to the Bonds and that the Additional Bonds have been legally issued;

(x) an endorsement of the mortgagee's title insurance policy required by Section 3.05 of the Loan Agreement, which endorsement increases the face amount of the policy to an amount equal to the principal amount of the Bonds and the Additional Bonds; and

(xi) such other documents as the applicable underwriter may require.

Section 213. Book-Entry System.

(a) Notwithstanding any other provision hereof, the Series 2025 Bonds, and, except as provided in subsection (d) of this Section, any Additional Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities set forth in Section 209 hereof. Except as provided in subsection (d) of this Section, upon initial issuance, the ownership of each Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. Except as provided in subsection (d) of this Section, all of the Outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the Bond Register in the name of the Securities Depository or its nominee, the Issuer, the Borrower, and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Issuer, the Borrower, nor the Trustee shall have responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository, its nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner, or any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than an Owner, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. The Issuer, the Borrower, and the Trustee may treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, and interest with respect to such Bond, for the purpose of giving notices of redemption, for the purpose of obtaining consents, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on

structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds and providing for an increase in the Basic Loan Payment obligations of the Borrower, which shall be evidenced by Additional Notes, and providing any other changes required by the issuance of Additional Bonds;

(ii) a valid and effective supplemental indenture providing for the issuance of such new Series of Additional Bonds and subjecting to the lien and security interest hereof, the amendments to the Loan Agreement, the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements;

(iii) a valid and effective amendment to the Leasehold Mortgage (A) subjecting to the lien of the Leasehold Mortgage the Borrower's interest in and to any real estate and/or interests therein acquired by purchase or construction with the proceeds of the Additional Bonds and (B) assigning and pledging to the Trustee the Borrower's interest in and to the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits thereof and therefrom;

(iv) a valid and effective amendment to the Security Agreement, granting a security interest to the Trustee in the Borrower's interest in (A) any Equipment and/or Inventory acquired by purchase or construction with the proceeds of the Additional Bonds, (B) any buildings, structures, facilities, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds, and (C) any accounts, documents, chattel paper, instruments, general intangibles (including payment intangibles), supporting obligations, investment property, and deposit accounts arising in any manner from the Borrower's ownership and/or operation any property acquired by purchase or construction with the proceeds of the Additional Bonds;

(v) a valid and effective amendment to the Assignment of Contracts and Agreements, granting a security interest to the Trustee in the Borrower's interest in any contract documents and/or agreements entered into in connection with the use of proceeds of such Additional Bonds and assigning and pledging to the Trustee the Borrower's interest, rights, and benefits thereof and therefrom;

(vi) a copy, duly certified by the Clerk, of a resolution of the Issuer theretofore adopted and approved authorizing the execution and delivery of such supplemental indenture, such amendment to the Loan Agreement, and such promissory notes, and the issuance of such Additional Bonds;

(vii) a request and authorization to the Trustee on behalf of the Issuer, signed by the Mayor or such other officers of the Issuer as are designated by the Issuer, to authenticate and deliver such Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of a specified sum

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the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, as provided in Section 207 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner shall receive a certificated Bond evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to this Indenture. While DTC is the Securities Depository, upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The Trustee shall take all action reasonably necessary for all representations of the Issuer in the Letter of Representations with respect to the paying agents and the bond registrar, respectively, to at all times to be complied with.

(d) (i) The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer, the Borrower, and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Trustee, in its sole discretion and without the consent of any other Person, may terminate the services of the Securities Depository with respect to the Bonds if the Trustee shall determine that:

(A) the Securities Depository is unable to discharge its responsibilities with respect to the Bonds, or

(B) a continuation of the requirement that all of the Outstanding Bonds be registered in the Bond Register in the name of the Securities Depository or its nominee is determined by the Requisite Number of Bondholders not to be in the best interest of the Beneficial Owners of the Bonds.

(iii) Upon the termination of the services of a Securities Depository with respect to the Bonds pursuant to (ii)(B) above or upon the discontinuance or termination of the services of a Securities Depository with respect to the Bonds pursuant to (i) above or (ii)(A) hereof after which no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found that shall be willing and able to undertake such functions upon reasonable and customary terms, the Trustee shall deliver Bond certificates at the expense of the Beneficial Owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Securities Depository or its nominee, but may be registered in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

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(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Securities Depository or its nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption Dates and Prices. The Bonds shall be subject to redemption, and, in certain instances, to purchase, prior to maturity in the amounts, at the times and in the manner provided in this Article III. Payments of the Redemption Price of any Bond shall be made only upon the surrender to the Trustee or its agent, as directed, of any Bond so redeemed or purchased.

Section 302. Optional Redemption.

(a) The Series 2025A Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to maturity at the option of the Issuer upon the written request of the Borrower on and after October 1, 20__, in whole or in part (in amounts not less than \$100,000) on any date at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof being redeemed plus interest accrued to the redemption date.

(b) The Series 2025B Bonds maturing on or after October 1, 20__ shall be subject to redemption prior to maturity at the option of the Issuer upon the written request of the Borrower on and after October 1, 20__, in whole or in part (in amounts not less than \$100,000) on any date at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof being redeemed plus interest accrued to the redemption date.

(c) Any optional redemption of Bonds shall be conditioned upon the Trustee's receipt of funds sufficient to pay the Redemption Price of the Bonds to be redeemed on or prior to the redemption date.

Section 303. Mandatory Sinking Fund Redemption.

(a) The Series 2025A Bonds shall be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to 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:

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(b) The Series 2025B Bonds will be subject to mandatory sinking fund redemption prior to maturity in part at a Redemption Price equal to 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 2025B Bonds Maturing on October 1, 20__

October 1 of the Year	Principal Amount

* Final Maturity

(c) On or before the forty-fifth (45th) day immediately preceding any October 1 on which Series 2025A Bonds are to be retired pursuant to the applicable Mandatory Sinking Fund Redemption Requirement, the Borrower may (i) deliver to the Trustee for cancellation, Series 2025A Bonds of the applicable maturity in any aggregate principal amount desired or (ii) receive a credit with respect to the applicable Mandatory Sinking Fund Redemption Requirement for any such Series 2025A Bonds that before said date have been purchased or redeemed (other than through mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such Mandatory Sinking Fund Redemption Requirement. Each such Series 2025A Bond so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the Mandatory Sinking Fund Redemption Requirement for the Series 2025A Bonds of the applicable maturity on such mandatory sinking fund redemption date, and any excess over such amount shall be credited against future Mandatory Sinking Fund Redemption Requirements for such Series in such order as may be selected by the Borrower or, in the absence of such selection, in chronological order, and the applicable Mandatory Sinking Fund Redemption Requirements for such Series 2025A Bonds shall be accordingly reduced.

(d) The Issuer, at the request of the Borrower, or the Borrower must, on or before the forty-fifth (45th) day immediately preceding each such mandatory sinking fund redemption date for Series 2025 Bonds, furnish the Trustee with its certificate indicating whether and to what extent the provisions of clauses (i) and (ii) in the preceding subsection (b) are to be availed of with respect to such Mandatory Sinking Fund Redemption Requirement.

Section 304. Extraordinary Optional Redemption.

(a) The Series 2025 Bonds shall also be subject to redemption at the option of the Issuer upon the written request of the Borrower, in whole if:

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Series 2025A Bonds Maturing on October 1, 20__

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount

* Final Maturity

Series 2025A Bonds Maturing on October 1, 20__

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount

* Final Maturity

Series 2025A Bonds Maturing on October 1, 20__

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount

* Final Maturity

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(i) the Series 2025 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot reasonably be restored within a period of twelve (12) months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of insurance payable in respect of such destruction or damage; or

(ii) title to, or the temporary use of, a substantial portion of the Series 2025 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot be reasonably restored or replaced within a period of twelve (12) months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking.

(b) The Series 2025 Bonds shall also be subject to redemption at the option of the Issuer upon the written request of the Borrower, in part, in the event of either the partial condemnation or destruction of, or partial damage to, the Series 2025 Project or there are Net Proceeds from the title insurance on the Series 2025 Project. Then, from the Net Proceeds received by the Borrower or the Trustee as a result of such taking, destruction, or damage or as a result of the receipt of such title insurance monies, to the extent such Net Proceeds are not used for the restoration of the Series 2025 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2025 Project as such operations were conducted prior to such taking, destruction, or damage or title insurance event, if the Borrower furnishes to the Trustee and the Issuer (i) a certificate of an Independent Engineer stating (A) that the property forming a part of the Series 2025 Project (that was taken, destroyed, or damaged or resulted in the title insurance payment) is not essential to the Borrower's use or occupancy of the Series 2025 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage, or title insurance event, or (B) that the Series 2025 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage, or title insurance event, or (C) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged or that suffered the title impairment or (ii) a written report of a Financial Consultant filed with the Trustee and the Issuer that the Fixed Charges Coverage Ratio on the Senior Bonds for each of the two (2) Annual Periods following the Annual Period following such taking, destruction, or damage or title impairment will not be less than the lesser of (a) 1.25 and (b) the average Fixed Charges Coverage Ratio on the Senior Bonds for the two (2) most recent Annual Periods prior to such

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taking, destruction, or damage or title impairment for which audited financial statements are available.

(c) If the Series 2025 Bonds shall be called for redemption upon the occurrence of any of the events described in the two immediately preceding subsections, the Series 2025 Bonds may be redeemed on any date for which the requisite notice of redemption can be given within one hundred eighty (180) days of such event at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date.

(d) Subject to the provisions of Section 306, 307, and 310 hereof, any redemption of less than all of the Series 2025 Bonds pursuant to this Section 304 shall be applied first to redeem the Senior Bonds until the Senior Bonds are no longer outstanding, then to redeem the Subordinate Bonds.

Section 305. Purchase in Lieu of Redemption. If any Bonds are called for optional redemption in whole or in part, the Borrower may elect to have such Bond purchased in lieu of redemption. Purchase in lieu of redemption shall be available with respect to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Borrower may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption with funds provided by the Borrower. Any such direction to the Trustee must be in writing, state either that all the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations, and be received by the Trustee no later than 12:00 noon at least five Business Days prior to the scheduled redemption date thereof. Any direction to the Trustee to purchase any or all of the Bonds in lieu of redemption shall be accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds.

Subject in all cases to operational or other restrictions or requirements of the DTC, if so directed, the Trustee shall purchase (solely with funds provided by the Borrower) such Bonds on the date which otherwise would be the redemption date of such Bonds. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Trust Indenture on such redemption date. Subject in all cases to any operational or other restrictions or requirements of the DTC, on or prior to the scheduled redemption date, any direction given to the Trustee may be withdrawn by the Borrower by written notice to the Trustee. Subject generally to this Trust Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Bonds shall occur.

The purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any. To pay the purchase price of such Bonds, the Trustee shall use (a) funds deposited by the Borrower with the Trustee for such

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to give such notice by mailing to any Owner of Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds for which notice shall have been properly given. Each notice shall specify the CUSIP numbers of the Bonds of each Series being called; the numbers of the Bonds of each Series being called, if less than all of the Bonds of any Series 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 shall further state that payment of the applicable Redemption Price will be made upon presentation and surrender of the Bonds to be redeemed and that on the redemption date, the Redemption Price will become due and payable upon each 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 Bonds to be redeemed are on deposit with the Trustee at the place of, and the time for, payment. Any notice mailed as provided in this Section 308 shall be conclusively presumed to have been duly given, whether or not the Owner of such Bonds actually receives such notice.

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

Section 309. Effect of Calling for Redemption.

(a) On or before the date fixed for redemption of Bonds, moneys or Defeasance Obligations shall be deposited with the Trustee an amount sufficient to pay the Redemption Price of the Bonds or portions thereof called for redemption.

(b) On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds (or portions thereof) called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price provided therefor. On such date, if cash and/or Defeasance Obligations sufficient to pay the Redemption Price of the Bonds (or portions thereof) to be redeemed, are held by the Trustee in trust for the Owners of the Bonds (or portions thereof) to be redeemed, interest on the Bonds (or portions thereof) called for redemption shall cease to accrue; such Bonds (or portions thereof) shall cease to be entitled to any benefits or security under this Indenture or to be deemed Outstanding; and the Owners of such Bonds (or portions thereof) shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. Bonds and portions of

purpose, and (b) funds, if any, held under this Trust Indenture that the Trustee would have used to pay the outstanding principal of, accrued and interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the scheduled redemption date. The Trustee shall not purchase the Bonds pursuant to the above provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Trustee, or such moneys are deposited but are not available for such purpose. No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required for such Bond).

Section 306. Selection of Bonds to Be Redeemed. If any Bonds shall be called for redemption pursuant to the provisions of Section 302 or 304 hereof, the Borrower shall select the Series or maturity of Bonds within a Series to be redeemed. Subject to the provisions of Section 310 hereof, if less than all of the Bonds of any maturity within a Series shall be called for redemption pursuant to the provisions of Section 302 or 304 hereof, the Borrower shall select the Bonds of such Series or maturity to be redeemed; provided funds are first applied to redeem the Series 2025A Bonds until the Series 2025A Bonds are no longer outstanding, then to redeem the Series 2025B Bonds until the Series 2025B Bonds are no longer Outstanding. Notwithstanding the foregoing, but subject to the final sentence of this Section, the Borrower shall have the right to designate the Mandatory Sinking Fund Redemption Requirement to which such redemption shall be credited.

Section 307. DTC Procedures. While DTC is the Owner of the Series 2025 Bonds, or any of them, partial redemptions of such Series 2025 Bonds shall be determined in accordance with DTC's procedures. The Issuer intends that redemption allocations made by DTC, the DTC Participants, or such other intermediaries that may exist between the Issuer and the Beneficial Owners be made in accordance with the method of selection of Series 2025 Bonds for a partial redemption described herein. However, the selection of Series 2025 Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption.

Section 308. Election to Redeem and Notice to Trustee; Redemption Notice.

(a) In case of any redemption pursuant to Section 302, 304, or 305 hereof, the Borrower shall, at least twenty (20) days prior to the date that notice of redemption is required to be given by the Trustee (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such redemption date and of the principal amount of Bonds to be redeemed. The Borrower shall send a copy of such notice to each Rating Agency.

(b) In the event any Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure

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Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at a redemption date shall have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Indenture and shall cease to be entitled to the security of or any rights under this Indenture, other than rights to receive payment of the Redemption Price thereof, to be given notice of redemption in the manner provided in Section 308 hereof, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds, if cash and/or Defeasance Obligations sufficient to pay the Redemption Price of such Bonds (or portions thereof) are held by the Trustee in trust for the Owners of such Bonds.

Section 310. Redemption of a Portion of a Bond.

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

(b) If a portion of an Outstanding Bond shall be selected for redemption, the Owner thereof or his, her, or its attorney or legal representative shall present and surrender such Bond to the Trustee for payment of the Redemption Price of such Bond, and the Issuer shall cause to be executed and the Trustee shall authenticate and deliver to or upon the order of such Owner or his, her, or its legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same form and maturity and of any Authorized Denominations; provided, however, that if the Owner is a Securities Depository Nominee, the Securities Depository, in its discretion, (i) may surrender such Bond to the Trustee and request that the Issuer cause to be executed and the Trustee authenticate and deliver a new Bond for the unredeemed portion of the principal amount of the Bond so surrendered or (ii) shall make an appropriate notation on such Bond indicating the dates and amounts of such reduction in principal.

(c) In all instances where the Trustee is directed by the terms of this Indenture to redeem Bonds from moneys deposited into the Redemption Fund, the Trustee shall redeem the maximum number of Bonds that may be redeemed in accordance with the applicable provisions hereof, and any excess moneys shall remain in the Redemption Fund.

Section 311. Cancellation. Bonds redeemed, presented, and surrendered in accordance with the terms hereof shall be cancelled on the surrender thereof.

Section 312. Use of Defeasance Obligations to Redeem Bonds. Subject to the provisions of Article IX hereof, for purposes of all Sections in this Article, Defeasance Obligations shall be deemed sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be, without

reinvestment, sufficient, in the opinion of an Accountant, to pay the Redemption Price of such Bonds on such date.

ARTICLE IV GENERAL COVENANTS

Section 401. Condition of Issuer's Obligation; Payment of Principal and Interest.

(a) Each and every covenant herein made, including all covenants made in the various Sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall never constitute a general obligation of the Issuer. The Bonds shall be limited and special obligations of the Issuer and shall be payable solely and only from the Security, and neither the Bonds nor the interest thereon shall constitute an indebtedness or a pledge of the faith and credit of the Issuer, the University, the State, or any political subdivision of the State within the meaning of any State constitutional provision, statutory limitation, or charter provision and will not constitute or give rise to a pecuniary liability of the Issuer, the University, the State, or any political subdivision of the State or a charge against the general credit or taxing power of any of them. The issuance of the Bonds shall not directly or indirectly or contingently obligate the Issuer, the State, or any political subdivision of the State to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. Neither the members of the Issuer nor any person executing any of the Bonds shall be liable personally on the Bonds by reason of the issuance thereof. No failure of the Issuer to comply with any term, covenant, or agreement herein or in any document executed by the Issuer in connection with this Indenture, the Loan Agreement, or the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the funds available hereunder. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the funds available hereunder.

(b) The Issuer covenants that it shall promptly pay from the sources provided herein and in the Loan Agreement the Debt Service Payments on every Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Bonds, according to the true intent and meaning thereof. The Issuer hereby appoints and designates the Office of the Trustee as the place of payment for the Bonds, and the Trustee as the paying agent for the Bonds, such designation and appointment to remain in effect until written notice of change is filed as provided in Section 1105 or Section 1404 hereof.

Section 402. Performance of Covenants; Authority of the Issuer. The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, in any and every Bond executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto; provided,

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Rights, and all obligations of the Borrower under and pursuant to the Bond Documents for and on behalf of the Bondholders, whether or not an Event of Default shall have occurred hereunder.

(b) So long as any of the Bonds shall remain Outstanding and for such longer period when required by the Loan Agreement, the Issuer shall 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) shall not take any action, shall not permit any action to be taken by others under its control, and shall not omit to take any action or permit others under its control 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 thereof or impair the validity thereof.

(c) The Issuer covenants to enforce, at the request of the Trustee, 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 hereby 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.

(d) The Trustee shall retain possession of executed originals or counterparts of the Borrower Documents to which the Issuer is a party or in respect of which it is a beneficiary, and shall release the same only in accordance with the provisions thereof. The Borrower Documents to which the Issuer is a party or in respect of which it is a beneficiary shall be available for inspection at reasonable times and under reasonable conditions by the Issuer, the Borrower, and any Owner of any Bond.

Section 405. Designation of Additional Paying Agents and Co-Bond Registrar. The Issuer may, and upon the written request of the Borrower and payment of any expenses incurred in connection therewith pursuant to Section 5.02 of the Loan Agreement, shall cause the necessary arrangements to be made through the Trustee for the designation of additional paying agents as specified by the Borrower for the making available of funds for the payment of such of the Bonds as shall be presented when due at the principal office of said additional paying agents. The Trustee may designate a co-bond registrar that may perform the duties of bond registrar on behalf of the Trustee, and all references herein to bond registrar shall include any such co-bond registrar.

Section 406. Issuer's Disclosure Instructions to Trustee. The Trustee shall have no responsibility whatsoever with respect to any disclosure to Bondholders or any public disclosure of any event or circumstance occurring, arising, or existing with respect to the Bonds, the Issuer, the Borrower, the Project or any other matter, except that the Trustee shall give to the Dissemination Agent a copy of any notice that the Trustee gives to Bondholders, the Issuer, or the Borrower to pursuant to the default provisions hereof or any other Bond Document.

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however, that the liability of the Issuer under any such covenant, undertaking, stipulation, or provision for any breach or default by the Issuer thereunder shall be limited solely to the Security and to the revenues and receipts derived from the payments under the Notes and the Loan Agreement. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture, to convey the Trust Estate to the Trustee, and to pledge the receipts, revenues, and collateral hereby pledged in the manner and to the extent herein set forth, that all action required on its part for the issuance of the Series 2025 Bonds and the execution and delivery hereof have been duly and effectively taken (or if Additional Bonds are issued pursuant to Section 211 hereof, will be duly taken as provided therein), and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof except as the enforceability thereof may be limited by bankruptcy laws and other laws similarly affecting creditors' rights generally and by usual equity principles.

Section 403. Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Issuer Documents for the benefit of the Bondholders, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered such indentures supplemental hereto and such further acts, instruments, and transfers as may reasonably be required for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee the Trust Estate. Any and all property hereafter acquired that is of the kind or nature provided herein to be and become subject to the lien and security interest hereof shall, without any further conveyance, assignment, or act on the part of the Issuer or the Trustee, be and become subject to the lien and security interest hereof as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as herein and in the Loan Agreement provided, it has not and will not sell, convey, assign, pledge, mortgage, encumber, grant a security interest in, or otherwise dispose of, or create or suffer to be created any lien, encumbrance, security interest, or charge upon, any part of the Trust Estate or of its rights under any of the Issuer Documents, or enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired.

Section 404. Rights Under Certain Documents.

(a) The Bond Documents, duly executed originals or 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 2025 Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Bond Documents may not be effectively amended, changed, modified, altered, or terminated other than as provided herein, and reference is hereby made to the Bond Documents for a detailed statement of said covenants and obligations of the Issuer and the Borrower thereunder. The Trustee may enforce all rights of the Issuer, except the Unassigned

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ARTICLE V FUNDS UNDER THIS INDENTURE

Section 501. Revenue Fund. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Revenue Fund" into which the University and the Borrower have agreed to deposit or cause to be deposited the Pledged Revenues in accordance with the University Sublease, Residential Management Agreement and the Loan Agreement. Subject to the provisions of Section 502(c) hereof, the amounts deposited into the Revenue Fund shall be transferred or paid by the Trustee to the following Funds and/or Persons in the order and amounts and on the dates indicated:

(a) there shall be paid to the Borrower on the twentieth (20th) day of each month (or the immediately succeeding Business Day if the twentieth (20th) day of a month is not a Business Day) commencing _____ 20, 20__ for deposit into the Operating Account to pay Expenses (other than those, if any, to be paid from the Surplus Fund in accordance with Section 510 hereof), for which payment has not previously been made or otherwise arranged for, an amount, as shall be determined by the Borrower and certified in writing not less than annually to the Trustee, equal to the lesser of (i) the greater of (A) the amount budgeted in the Annual Budget for Expenses for the immediately succeeding month or (B) any amount necessary to meet the minimum balance requirement for the Operating Account, which, for purposes of this Indenture shall be an amount equal to ten percent (10%) of the 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 Annual Period through the last day of the immediately succeeding month over (B) the amount theretofore deposited into the Operating Account pursuant to this subsection (a) for the then current Annual Period; provided, however, if, during any Annual Period, the Borrower provides notice to the Trustee that an Operating Account Surplus shall have been created with respect to the immediately preceding Annual Period, such payment to the Borrower from the Trustee shall be reduced by the amount of such Operating Account Surplus, if any, and the amount to be deposited into the Operating Account shall then therefore be reduced;

(b) there shall be transferred to the Bond Fund with respect to Senior Bonds:

- (i) on or before [June 20, 2025] and on the 20th day of July, August and September thereafter (A) a sum equal to one quarter of the amount payable on October 1, 2025, or (B) such lesser amount that, together with amounts already on deposit in the Bond Fund, or to be deposited to the Bond Fund on such date pursuant to Section 502(c) of the Indenture and available therefor, is sufficient to pay interest on the Series 2025A Bonds to become due October 1, 2025, as provided herein;
- (ii) on or before November 20, 2025, and on or before the twentieth (20th) day of each month thereafter, a sum equal to one-sixth (1/6th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2025A Bonds, or such lesser amount that, together with amounts already on

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deposit in the Bond Fund and available therefor, will be sufficient to pay interest on the Series 2025A Bonds to become due on the immediately succeeding Interest Payment Date, as provided herein;

- (iii) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Senior Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of interest on such Additional Senior Bonds;
- (iv) on or before April 20, 20__, and on or before the twentieth (20th) day of each month thereafter, a sum equal to the sum of (1) one-twelfth (1/12th) of the principal due on the immediately succeeding October 1 that is a maturity date of the Series 2025A Bonds and (2) one-twelfth (1/12th) of the Mandatory Sinking Fund Redemption Requirement;
- (v) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Senior Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of the principal of such Additional Senior Bonds (whether at maturity or under any mandatory sinking fund or other similar redemption requirements of any supplemental indenture or indentures executed in connection with the issuance of such Additional Senior Bonds);
- (vi) on the Business Day prior to any date on which the Series 2025A Bonds are to be redeemed pursuant to the mandatory redemption provisions hereof (other than mandatory sinking fund redemption pursuant to Section 303 hereof), an amount equal to the Redemption Price of the Series 2025A Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Series 2025A Bonds to be redeemed); and
- (vii) on the Business Day prior to any date on which any Additional Senior 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 Senior Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the Redemption Price of such Additional Senior Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Additional Senior Bonds to be redeemed);

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- (f) there shall be transferred to the Repair and Replacement Fund, commencing on July 20, 2028, and on the twentieth (20th) day of each month thereafter in equal monthly installments, one-twelfth (1/12th) of the amounts scheduled on Exhibit B attached hereto which amount initially equals \$375 per bed contained in the Series 2025 Project per year with a three percent (3%) increase per annum, and any and all additional amounts required to be deposited therein by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds or adjustments as provided in Section 5.05 of the Loan Agreement;
- (g) if any funds shall be withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Senior Bonds in accordance with Section 507(b)(ii) hereof, there shall be transferred to the Repair and Replacement Fund, beginning on the twentieth (20th) day of the month following any such withdrawal and continuing on the twentieth (20th) day of each month thereafter the greater of (i) the lesser of (A) one-twelfth (1/12th) of the amount of such withdrawal or (B) such amount that is necessary to reimburse the Repair and Replacement Fund for all such withdrawals, or (ii) such amount as shall be directed by the Borrower;
- (h) there shall be transferred to the Bond Fund with respect to Subordinate Bonds:
 - (i) on or before [June 20, 2025] and on the 20th day of July, August and September thereafter (A) a sum equal to one quarter of the amount payable on October 1, 2025, or (B) such lesser amount that, together with amounts already on deposit in the Bond Fund, or to be deposited to the Bond Fund on such date pursuant to Section 502(c) of the Indenture and available therefor, is sufficient to pay interest on the Series 2025B Bonds to become due October 1, 2025, as provided herein;
 - (ii) on or before November 20, 2025, and on or before the twentieth (20th) day of each month thereafter, a sum equal to one-sixth (1/6th) of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2025B Bonds, or such lesser amount that, together with amounts already on deposit in the Bond Fund and available therefor, will be sufficient to pay interest on the Series 2025B Bonds to become due on the immediately succeeding Interest Payment Date, as provided herein;
 - (iii) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Subordinate Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of interest on such Additional Subordinate Bonds;
 - (iv) on or before April 20, 20__, and on or before the twentieth (20th) day of each month thereafter, a sum equal to the sum of (1) one-twelfth (1/12th) of the

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- (c) there shall be paid to the Trustee:

- (i) promptly upon request, an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, and the Ordinary Expenses of the Trustee incurred, hereunder and under the other Bond Documents, as and when the same shall become due;
- (ii) promptly upon request, the reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided herein, as and when the same shall become due; and
- (iii) promptly upon request, the reasonable fees and charges of the Trustee for the Extraordinary Services of the Trustee rendered by it, and the Extraordinary Expenses of the Trustee incurred by it, hereunder and under the other Bond Documents, as and when the same shall become due; provided, that the Borrower may, within thirty (30) days of receipt of such request and without creating an Event of Default hereunder, 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;
- (d) there shall be paid to the Issuer as provided in writing to the Trustee by the Issuer, an amount sufficient to reimburse the Issuer for all expenses (if any) incurred by the Issuer under the Loan Agreement in connection with the Bonds and the Series 2025 Project, or the later audit, inquiry, investigation, modification, amendment or interpretation of the Bonds or the Project, including, but not limited to, the reasonable fees and expenses of counsel for the Issuer and Bond Counsel; and
- (e) if any funds shall be withdrawn from the Debt Service Reserve Fund, if there shall be a diminution in Value of the cash and investments held in the Debt Service Reserve Fund as of any Valuation Date, or if any net losses shall result from the investment of amounts held in the Debt Service Reserve Fund that shall reduce the Value of the cash and investments in the Debt Service Reserve Fund to less than the Debt Service Reserve Requirement as of any Valuation Date, there shall be transferred to the Debt Service Reserve Fund, beginning on the twentieth (20th) day of the month following notice from the Trustee of such withdrawal, diminution in Value, or losses, and on the twentieth (20th) day of each month thereafter, twelve (12) consecutive monthly payments, each equal to one-twelfth (1/12th) of the amount of such withdrawal, diminution in Value, or losses and second, following the transfer of the amounts required by Section 501 (f), (g) and (h) below, to the 2025 Subordinate Account of the Debt Service Reserve Fund, in all instances necessary to restore the Debt Service Reserve Fund to the Subordinate Debt Service Reserve Requirement;

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principal due on the immediately succeeding October 1 that is a maturity date of the Series 2025 Bonds and (2) one-twelfth (1/12th) of the Mandatory Sinking Fund Redemption Requirement;

- (v) on the dates set forth in any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Subordinate Bonds, the amount(s) set forth therein to be paid by the Borrower in respect of the principal of such Additional Subordinate Bonds (whether at maturity or under any mandatory sinking fund or other similar redemption requirements of any supplemental indenture or indentures executed in connection with the issuance of such Additional Subordinate Bonds);
- (vi) on the Business Day prior to any date on which the Series 2025B Bonds are to be redeemed pursuant to the mandatory redemption provisions hereof (other than mandatory sinking fund redemption pursuant to Section 303 hereof), an amount equal to the Redemption Price of the Series 2025B Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Series 2025B Bonds to be redeemed); and
- (vii) on the Business Day prior to any date on which any Additional Subordinate 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 Subordinate Bonds (other than mandatory sinking fund or other similar redemption pursuant to such supplemental indenture or indentures), an amount equal to the Redemption Price of such Additional Subordinate Bonds to be redeemed (taking into account amounts then on deposit in the Bond Fund and the Redemption Fund available to be used for the payment of such Additional Subordinate Bonds to be redeemed);
- (i) there shall be transferred to the Rebate Fund and the Account(s) therein on the dates that the Borrower provides any calculation of the Rebate Amount to the Trustee in accordance with Section 511(c) hereof, the amounts determined by the Borrower to be equal to the excess, if any, of the Rebate Amount so calculated over the amount then in the Rebate Fund;
- (j) there shall be transferred to the appropriate fund or funds other than the Repair and Replacement Fund, the Operations Contingency Fund, and the Surplus Fund, any and all additional amounts required to be deposited into such fund or funds by any amendment or amendments to the Loan Agreement executed in connection with the issuance of Additional Bonds on the date(s) specified therein; and

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

Section 502. Bond Fund.

(a) There is hereby 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 2025 Bonds, there are also hereby created by the Issuer and ordered established separate subaccounts within Bond Fund to be designated, respectively, the "2025A Bond Fund Account," and the "2025B Bond Fund Account." The Trustee will also establish separate Accounts within the Bond Fund with respect to each Series of Additional Bonds. There shall be deposited into the Bond Fund from the sale of the Series 2025 Bonds the amounts specified in Sections 601(a) and 602(a) hereof. In addition, there shall be deposited into the Bond Fund from the Revenue Fund all amounts specified in Section 501(a) hereof and all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Borrower that such moneys are to be paid into the Bond Fund. Except as otherwise provided in this Section and Sections 514, 1004, and 1102 hereof, moneys in the Bond Fund shall be used solely to pay the Debt Service Payments on the Bonds. Subject to the provisions of Section 1405 hereof, not later than 1:00 p.m. on any date Debt Service Payments on the Bonds are due (other than principal of Bonds to be paid from moneys in the Redemption Fund pursuant to Section 503 hereof), the Trustee shall withdraw moneys from the Bond Fund sufficient to make such Debt Service Payment and shall make such Debt Service Payment to the Owner of such Bond entitled thereto.

(b) There is hereby created by the Issuer and ordered established a separate Account within the Bond Fund, to be designated the "Capitalized Interest Account." In connection with the issuance of the Series 2025 Bonds, there are also hereby created by the Issuer and ordered established two (2) separate subaccounts within the Capitalized Interest Account to be designated, respectively, the "2025A Subaccount of the Capitalized Interest Account" and the "2025B Subaccount of the Capitalized Interest Account." The Trustee shall also establish separate subaccounts within the Capitalized Interest Account with respect to each Series, or, if applicable Series of Additional Bonds.

(c) There shall be deposited into the Capitalized Interest Account from the sale of the Series 2025 Bonds the amounts specified in Sections 601(a) and 602(a) hereof. On each date that transfers to the Bond Fund are required by Section 501(a)(i), (ii), or (iii) hereof with respect to the Series 2025A Bonds while there are funds on deposit in the Capitalized Interest Account, the Trustee shall transfer (i) from the 2025A Subaccount of the Capitalized Interest Account to the Bond Fund the lesser of (A) an amount equal to any such transfer required in respect of the Series 2025A Bonds on that date or (B) the amount remaining in the 2025A Subaccount of the Capitalized Interest Account. On each date that transfers to the Bond Fund are required by Section 501(h)(i), (ii), or (iii) hereof with respect to the Series 2025B Bonds while there are funds on deposit in the Capitalized Interest Account, the Trustee shall transfer, (i) from the 2025B

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manner specified in this Section and in Section 304 hereof. Not later than 1:00 p.m. on any date principal or Redemption Price of any Bond is due, the Trustee shall withdraw moneys from the Redemption Fund sufficient to make such payment and shall make such payment to the Owner of such Bond entitled thereto.

(b) The Trustee shall establish a separate Account within the Redemption Fund (i) with respect to each Series of Bonds, (ii) if more than one Series of Bonds shall be issued on the same date, with respect to each such Series of Bonds, and (iii) with respect to any amounts transferred to the Redemption Fund from the Construction Fund pursuant to Section 505(c) hereof. Subject to the provisions of subsection (c) of this Section, but notwithstanding anything else contained herein to the contrary, any amounts required to be deposited in the Redemption Fund for the redemption of a particular Series of Bonds in accordance with any of the Bond Documents shall be deposited in the applicable Account or Accounts thereof, and, prior to the occurrence of an Event of Default, any amounts in an Account of the Redemption Fund may be used only to make payments on the Series of Bonds in respect of which such Account was established.

(c) All amounts transferred to the Redemption Fund from the Construction Fund pursuant to Section 505(c) hereof to redeem Senior Bonds shall be used to redeem only the principal portion thereof.

(d) When (i) the amount of the remaining Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund, (ii) the amount of the remaining Debt Service Payments on (A) the Outstanding Series 2025A Bonds and (B) the Outstanding Series 2025B Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, and the balance of the Repair and Replacement Fund, and (iii) all other amounts owed under the Loan Agreement and this Indenture shall have been paid, moneys held in the Redemption Fund may, with the consent of the University, be deposited into the Bond Fund and credited against payments of Loan Payments required under Section 5.02 of the Loan Agreement.

(e) Upon the occurrence of an Event of Default, the Trustee may use moneys in the Redemption Fund to pay the fees and expenses of the Trustee prior to the making of any payments to the Bondholders.

(f) The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Redemption Fund to pay the principal of Bonds or that portion of the Redemption Price of Bonds corresponding to principal in the manner specified in this Section and in Section 304 hereof and to make said funds so withdrawn available to the paying agent or agents, if any, for the purpose of paying said principal or portion of said Redemption Price, which authorizations and directions the Trustee hereby accepts.

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Subaccount of the Capitalized Interest Account to the Bond Fund the lesser of (A) an amount equal to any such transfer required in respect of the Series 2025B Bonds on that date or (B) the amount remaining in the 2025B Subaccount of the Capitalized Interest Account. With respect to any Series of Additional Senior Bonds for which a subaccount of the Capitalized Interest Account is created in respect of a Series of Additional Senior Bonds the lesser of (A) an amount equal to any such transfer required in respect of such Series of Senior Bonds on that date or (B) the amount remaining in such subaccount. **Amounts in the 2025A Subaccount of the Capitalized Interest Account shall not be used to pay interest on the Series 2025B Bonds.**

(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 prior to the making of any payments to the Bondholders. Except as provided in Article III hereof or any corresponding article in an indenture supplemental hereto, no part of the Basic Loan Payments in the Bond Fund shall be used to redeem, prior to maturity, a part of the Bonds Outstanding; provided, that whenever the amount in the Bond Fund from any source whatsoever, together with the amount in the Redemption Fund, is sufficient to redeem all of the Senior Bonds Outstanding hereunder, 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 Senior Bonds on the immediately succeeding redemption date for which the required redemption notice may be given.

(e) The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Debt Service Payments on the Bonds as the same become due and payable and to make said funds so withdrawn available to the paying agent or agents, if any, for the purpose of paying said Debt Service Payments, which authorizations and directions the Trustee hereby accepts.

(f) If on any Bond Payment Date there are insufficient funds in the Bond Fund and the Redemption Fund available therefor to pay Debt Service Payments on the Senior Bonds then due, the Trustee shall transfer to the Bond Fund an amount equal to such insufficiency from the following funds in the following order of priority: first, the Surplus Fund (including, if necessary, the Restricted Account of the Surplus Fund), second, the Operations Contingency Fund, third, the Debt Service Reserve Fund, and fourth, the Repair and Replacement Fund.

Section 503. Redemption Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Redemption Fund." There shall be deposited into the Redemption Fund all moneys required to pay Debt Service Payments on the Senior Bonds then due, the Trustee shall transfer to the Bond Fund an amount equal to such insufficiency from the following funds in the following order of priority: first, the Surplus Fund (including, if necessary, the Restricted Account of the Surplus Fund), second, the Operations Contingency Fund, third, the Debt Service Reserve Fund, and fourth, the Repair and Replacement Fund.

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Section 504. Issuance Cost Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Issuance Cost Fund," which shall be used only to pay Issuance Costs. Moneys in the Issuance Cost Fund shall be disbursed upon receipt of a requisition for payment substantially in the form attached hereto as Exhibit C, which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Trustee is hereby authorized and directed to so disburse funds upon receipt of such a requisition. If any funds remain in the Issuance Cost Fund on the earlier of the receipt by the Trustee of a certificate of the Borrower stating that all Issuance Costs relating to the Series 2025 Bonds have been paid or the first anniversary of the Closing Date, the Trustee shall transfer any funds remaining in the Issuance Cost Fund to the Construction Fund.

(b) The Trustee shall establish a separate Account within the Issuance Cost Fund with respect to each Series or, if applicable, Series of Additional Bonds issued hereunder.

(c) The Trustee shall keep and maintain adequate records pertaining to the Issuance Cost Fund and all disbursements therefrom, and after all amounts are disbursed from the Issuance Cost Fund, the Trustee shall, if requested by the Borrower, file an accounting thereof with the Issuer and the Borrower.

Section 505. Construction Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Construction Fund," which shall be used solely for the purposes set forth in this Section 505. There shall be deposited into the Construction Fund the amounts specified in Sections 601(c) and 602(b), respectively, hereof. The Trustee shall deposit into the Construction Fund as and when received by the Trustee any moneys paid to the Trustee under the Loan Agreement, the University Sublease or this Indenture for credit or transfer to the Construction Fund. Moneys in the Construction Fund shall be expended to pay the Costs of the Project in accordance with the provisions of the Loan Agreement, particularly Section 4.03 thereof. Moneys in the Construction Fund shall be disbursed upon receipt of a requisition for payment substantially in the form of Exhibit D or E attached hereto which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative and, in the case of Construction Costs, approved by the Developer and the Independent Engineer, and the Trustee is hereby authorized and directed to so disburse funds upon receipt of such a requisition. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Loan Agreement.

(b) The Trustee shall establish a separate Account within the Construction Fund with respect to each Series or, if applicable, Series of Additional Bonds issued hereunder.

(c) All proceeds of the Series 2025 Bonds and investment earnings thereon remaining in the Construction Fund on the Series 2025 Completion Date, less amounts retained

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or set aside to meet costs not then due and payable or that are being contested, shall be transferred (i) to the Bond Fund and used for the payment of principal of the Series 2025A Bonds provided the Borrower shall deliver to the Trustee a Favorable Opinion of Bond Counsel or (ii) if the Borrower shall fail to deliver such an opinion, to the Redemption Fund by the Trustee and used to redeem Series 2025A Bonds on the earliest optional redemption date in accordance with the provisions of Section 302(a) hereof.

Section 506. Debt Service Reserve Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Debt Service Reserve Fund," which shall be used solely for the purposes set forth in this Section 506. In connection with the issuance of the Series 2025A Bonds, there are also hereby created by the Issuer and ordered established two separate subaccounts within the Debt Service Reserve Fund to be designated the "2025 Senior Account" and the "2025 Subordinate Account." The Trustee will also establish separate subaccounts within the Debt Service Reserve Fund with respect to each Series or related Series of Additional Bonds, as applicable.

(b) There will be deposited into (i) the 2025 Senior Account of the Debt Service Reserve Fund from the sale of the Series 2025 Bonds pursuant to Sections 601, cash such that an amount equal to the Senior Debt Service Reserve Requirement for the Series 2025A Bonds is on deposit in the 2025 Senior Account of the Debt Service Reserve Fund and (ii) the 2025 Subordinate Account of the Debt Service Reserve Fund from the sale of the Series 2025 Bonds pursuant to Sections 602, cash such that an amount equal to the Subordinate Debt Service Reserve Requirement is on deposit in the 2025 Subordinate Account of the Debt Service Reserve Fund on and as of the Closing Date of the Series 2025 Bonds. The Trustee shall deposit in the appropriate Account of the Debt Service Reserve Fund any funds paid to the Trustee in accordance with the provisions of the Loan Agreement or this Indenture for credit or transfer to the Debt Service Reserve Fund. If the Borrower shall have exercised its option or shall have become obligated to prepay the Series 2025 Loan in whole and not in part pursuant to the terms of Article XI of the Loan Agreement and shall have paid the sums as provided therein, all of the funds then in the 2025 Senior Account of the Debt Service Reserve Fund, subject to the provisions of subsection (f) below, shall be deposited into the Bond Fund for the Series 2025A Bonds. The Trustee shall give written notice to the Issuer and the Borrower of (i) any withdrawals from the Debt Service Reserve Fund, (ii) any diminution in Value as of any Valuation Date, or (iii) net losses from the investment of funds in the Debt Service Reserve Fund as of any Valuation Date that reduce the Value of the cash and investments deposited therein or credited thereto to less than the Senior Debt Service Reserve Requirement for the Series 2025A Bonds.

(c) The Issuer hereby authorizes and directs the Trustee to withdraw funds (i) from the 2025 Senior Account of the Debt Service Reserve Fund to pay the Debt Service Payments then due on the Series 2025A Bonds and on any Additional Senior Bonds and (ii) from the 2025 Subordinate Account of the Debt Service Reserve Fund to pay the Debt Service Payments then

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Section 507. Repair and Replacement Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Repair and Replacement Fund," which shall, except as provided in subsection (e) of this Section and Sections 514, 1004, and 1102 hereof, be used solely for the purposes set forth in this Section 507. The Trustee shall deposit into the Repair and Replacement Fund as and when received by the Trustee any moneys paid to the Issuer under the Loan Agreement, particularly Section 5.02(b) thereof, or this Indenture for credit or transfer to the Repair and Replacement Fund.

(b) The Issuer hereby authorizes and directs the Trustee to withdraw funds from the Repair and Replacement Fund to pay (i) the capital maintenance and repair costs related to the Project that the Borrower shall be obligated to pay pursuant to Section 6.01 of the Loan Agreement or, to the extent that the Net Proceeds shall be insufficient for such purposes, to the costs of restoration or replacement of the Project (or any portion thereof) pursuant to Section 7.01 or 7.02 of the Loan Agreement, and (ii) the Debt Service Payments on the Senior Bonds to the extent there are insufficient funds in the Bond Fund, the Redemption Fund, the Surplus Fund (including, if necessary, the Restricted Account of the Surplus Fund), the Operations Contingency Fund, and the Debt Service Reserve Fund available therefor on the date such Debt Service Payments are due, which authorization and direction the Trustee hereby accepts.

(c) Moneys in the Repair and Replacement Fund to be used for the purpose described in item (i) of the preceding subsection (b) shall be disbursed upon receipt of a requisition for payment substantially in the form attached hereto as Exhibit E, which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Trustee is hereby authorized and directed to issue its checks and wires for each such disbursement upon receipt of such a requisition, however, upon the occurrence of an Event of Default or a failure by the Borrower to pay Basic Loan Payments required by Section 5.02 of the Loan Agreement, the Trustee shall not be obligated to disburse funds from the Repair and Replacement Fund for such purposes. The Trustee is hereby authorized and directed to withdraw funds from the Repair and Replacement Fund for the purpose described in item (ii) of the preceding subsection (b) automatically, without any requisition from the Borrower.

(d) When (i) the remaining amount of the Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund, (ii) the remaining amount of the Debt Service Payments on (A) the Outstanding Series 2025A Bonds and (B) the Outstanding Series 2025A Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, and the balance of the Repair and Replacement Fund, and (iii) all other amounts owed under the Loan Agreement and this Indenture shall have been paid, moneys held in the Repair and Replacement Fund may, with the consent of the University, be deposited into the Bond Fund and credited against payments of Loan Payments required under Section 5.02 of the Loan Agreement.

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due on the Series 2025B Bonds to the extent that there are insufficient funds for said purposes in the Bond Fund, the Redemption Fund, the Surplus Fund and, in the case of the 2025 Senior Account of the Deb Service Reserve Fund, the Repair and Replacement Fund available therefor on the date such Debt Service Payments are due, which authorization and direction the Trustee hereby accepts. The use by the Trustee of funds for such payment from the Debt Service Reserve Fund does not relieve the Borrower from its obligation to pay such amounts.

(d) When (i) the remaining amount of Debt Service Payments on the Outstanding Bonds shall be equal to or less than the sum of the balance of the Bond Fund, the balance of the Redemption Fund, the balance of the Debt Service Reserve Fund, and the balance of the Repair and Replacement Fund, and (ii) all other amounts owed under the Loan Agreement and this Indenture shall have been paid, moneys held in the Debt Service Reserve Fund may, with the consent of the University, be deposited into the Bond Fund and, subject to the provisions of subsection (f) below, credited against payments of Loan Payments required under Section 5.02 of the Loan Agreement.

(e) On the final maturity date of a Series of Bonds any moneys in the applicable subaccount of the Debt Service Reserve Fund may be used upon receipt of written instruction from the Borrower to pay the Debt Service Payments on the respective Series of Bonds on such final maturity date. In the event of the redemption of a Series of Bonds in whole, any moneys in the applicable subaccount of the Debt Service Reserve Fund shall be transferred upon receipt of written instruction from the Borrower to the respective subaccount of the Bond Fund and applied to the payment of the principal of and premium, if any, on such Series of Bonds.

(f) If, as a result of the valuation of the investments held in an Account of the Debt Service Reserve Fund as of any Valuation Date occurring on any May 15 or November 15 pursuant to Section 701, or the then-current applicable Debt Service Reserve Requirement level, the balance of any Account of the Debt Service Reserve Fund is greater than the applicable Debt Service Reserve Requirement for the related Series of Bonds, all amounts in such Account of the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement for such Series of Bonds will be transferred to the appropriate Account of the Bond Fund and used to make Debt Service Payments on the related Series of Bonds; provided, however, if (i) on any date on which all or any portion of a Series of Bonds is defeased in accordance with the provisions of Section 901 and the balance of the related Account of the Debt Service Reserve Fund is greater than the Debt Service Reserve Requirement (after such defeasance) applicable to such Account and (ii) the Borrower gives written instructions to the Trustee, all amounts in such Account of the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement (after such defeasance) applicable to such Account may be used to pay the principal of or premium, if any, on the defeased Bonds or, if the Borrower provides the Issuer and the Trustee with a Favorable Opinion of Bond Counsel, in such other manner as directed by the Borrower.

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(e) Upon the occurrence of an Event of Default, the Trustee may use moneys in the Repair and Replacement Fund to pay the fees and expenses of the Trustee prior to the making of any other payments required or authorized by this Section.

Section 508. Insurance and Condemnation Funds. Reference is hereby made to Article VII of the Loan Agreement whereunder it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited into the Insurance Fund and the Condemnation Fund, respectively, and are to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. There is hereby 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 separate Account to be designated the "2025 Account," all of which shall be opened only if funds are required to be deposited therein as provided in Article VII of the Loan Agreement. The Trustee shall also establish, when required, a separate Account within the Insurance Fund and within the Condemnation Fund with respect to each Series of Additional Bonds issued hereunder. Funds held in the Insurance Fund or in the Condemnation Fund shall be disbursed in accordance with Sections 7.01 and 7.02 of the Loan Agreement upon receipt of a requisition for payment substantially in the form attached hereto as Exhibit G, which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Trustee is hereby authorized and directed to issue its checks or wires for each disbursement upon receipt of such a requisition. Notwithstanding anything contained herein to the contrary, any amounts required to be deposited in the Insurance Fund or in the Condemnation Fund in accordance with the Loan Agreement shall be deposited in the applicable Account thereof, and, prior to the occurrence of an Event of Default, 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.

Section 509. Operations Contingency Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Operations Contingency Fund" into which shall be transferred moneys remaining in the Revenue Fund after the disbursements described in subsections (a) through (i) of Section 501 hereof.

(b) Moneys in the Operations Contingency Fund may be used to pay Expenses of, or to make capital expenditures in respect of, the Project and shall be disbursed upon receipt of a requisition for payment substantially in the form of Exhibit H attached hereto which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Trustee is hereby authorized and directed to issue its checks or wires for each disbursement upon receipt of such a requisition.

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(c) Moneys in the Operations Contingency Fund may also be used to make the transfers and deposits required by Section 501 hereof, and the Issuer hereby authorizes and directs the Trustee to withdraw funds from the Operations Contingency Fund to make such transfers and deposits to pay Debt Service Payments with respect to the Senior Bonds to the extent that there are insufficient funds in the Revenue Fund, the Bond Fund, the Redemption Fund, and the Surplus Fund (including, if necessary, the Restricted Account of the Surplus Fund) available therefor, which authorization and direction the Trustee hereby accepts.

(d) As required by Section 5.02(e) of the Loan Agreement, the Borrower shall maintain the balance in the Operations Contingency Fund at the Operations Contingency Fund Required Balance, and all amounts remaining in the Operations Contingency Fund in excess of such balance shall on the last day of each Annual Period shall be transferred to the Surplus Fund.

Section 510. Surplus Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Surplus Fund," and within the Surplus Fund, a separate Account to be designated the "Restricted Account."

(b) Provided (i) no Event of Default shall have occurred and then be continuing, (ii) all amounts withdrawn from the Repair and Replacement Fund to pay Debt Service Payments on the Senior Bonds in accordance with Section 507(b)(ii) hereof shall have been reimbursed in full, and (iii) all amounts withdrawn from the Debt Service Reserve Fund to pay Debt Service Payments on the Senior Bonds in accordance with Section 506(c) hereof shall have been reimbursed in full, upon receipt by the Trustee of the annual financial statements and Audit Report for the most recently ended Annual Period and the Borrower's calculations of the Fixed Charges Coverage Ratio on the Senior Bonds provided to the Trustee in accordance with Section 8.05(b) of the Loan Agreement indicating a Fixed Charges Coverage Ratio on the Senior Bonds of at least 1.25, the Trustee shall pay (i) management fees which were subordinated to the payment of Debt Service as provided in the Residential Management Agreement, and (ii) amounts to the Borrower from moneys on deposit in the Surplus Fund, in the amounts needed in order to meet upcoming obligations specified in a certificate of the Borrower and the University to the Trustee.

(c) After any payments pursuant to subsection (b) of this Section shall have been made, if the annual financial statements, Audit Report, and accompanying calculation described in such subsection (b) indicate a Fixed Charges Coverage Ratio on the Senior Bonds, of at least 1.25, the Trustee shall transfer all remaining amounts in the Surplus Fund (including any amounts in the Restricted Account of the Surplus Fund) to the Ground Lessor as Annual Rent due under the Ground Lease, as such transfer is directed in writing by the Borrower.

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Exempt Bonds. The Borrower shall provide, or cause the Rebate Analyst to provide, to the Issuer and the Trustee a copy of the report of the Rebate Analyst. The Trustee shall determine if the amount in the applicable Account(s) of the Rebate Fund is then equal to the calculated Rebate Amount. If the amount in such Account(s) of the Rebate Fund shall be in excess of the amount required to be therein in accordance with the report of the Rebate Analyst, then such excess shall be transferred to the Bond Fund. If the amount in such Account(s) of the Rebate Fund shall be less than the amount required to be deposited therein, the Trustee shall transfer to such Account(s) of the Rebate Fund such amounts as shall be necessary to reserve for the anticipated Rebate Amount payment to the United States Treasury from the Revenue Fund in accordance with Section 501(h) hereof.

(d) If at any time the Borrower shall be required to retain the Rebate Analyst, but shall fail to do so, then the Issuer shall retain a Rebate Analyst, at the expense of the Borrower, to calculate the Rebate Amount. If the Issuer shall be required to retain or to pay the Rebate Analyst, then the Issuer, after delivering to the Borrower a demand for payment of an amount sufficient to pay the Rebate Analyst, shall direct the Trustee to withdraw such amount as may be needed to pay the Rebate Analyst from the following funds in the following order of priority: first, the Surplus Fund (including, if necessary, the Restricted Account of the Surplus Fund), second, the Operations Contingency Fund, third, the Debt Service Reserve Fund, fourth, the Repair and Replacement Fund, fifth, the Issuance Cost Fund, sixth, the Construction Fund, and seventh, the Bond Fund.

(e) The Trustee shall have the right, but shall not be obligated, to seek written instructions from any Rebate Analyst as it shall deem necessary, concerning any payments to be made by it from the Rebate Fund and shall be free from any liability for acting in accordance with such reasonable instructions.

(f) The Trustee, on behalf of the Issuer, is hereby directed to pay to the United States Treasury from time to time the amounts as required by the report of the Rebate Analyst, provided that the Trustee shall pay over to the United States Treasury: (i) at least once each five (5) years after the Closing Date of a Series of Tax-Exempt Bonds within sixty (60) days of the date as of which the Rebate Amount shall have been calculated, an amount equal to ninety percent (90%) of the Rebate Amount allocable to that Series of Tax-Exempt Bonds as of such date (and not theretofore paid to the United States Treasury) and (ii) not later than sixty (60) days after the last bond of a Series of Tax-Exempt Bonds shall have been Discharged, one hundred percent (100%) of the Rebate Amount allocable to such Series of Tax-Exempt Bonds.

(g) If, at any time when the Trustee shall be required to withdraw money from any Account(s) of the Rebate Fund, the amount on deposit in such Account(s) of the Rebate Fund shall be insufficient for the purposes thereof, notwithstanding any investment of moneys requirements in this Indenture, the Trustee, after first delivering a demand for such deficiency to the Borrower and no money for such purpose having been provided by the Borrower, shall transfer moneys to such Account(s) of the Rebate Fund from the following funds in the following order of priority: first, the Surplus Fund (including, if necessary, the Restricted

(d) To the extent any amounts in the Surplus Fund may not be transferred to the Ground Lessor pursuant to subsection (c) of this Section, all such amounts shall be transferred to the Restricted Account of the Surplus Fund and shall remain therein until such time as (i) the Borrower shall provide for the Trustee, by the delivery of annual financial statements, an Audit Report, and an accompanying calculation, a Fixed Charges Coverage Ratio on the Senior Bonds, of at least 1.25, in which case and at which time the Borrower has directed the Trustee to do so, such amounts shall be transferred to the Ground Lessor at such times and in such amounts as shall be set forth in a written invoice approved by the Ground Lessor and the Borrower, or (ii) such funds are otherwise applied in accordance with this Indenture.

(e) Moneys in the Surplus Fund (including the Restricted Account of the Surplus Fund) may also be used to make the transfers and deposits required by Section 501 hereof, and the Issuer hereby authorizes and directs the Trustee to withdraw funds from the Surplus Fund to make such transfers and deposits to the extent that there are insufficient funds in the Revenue Fund, the Bond Fund, and the Redemption Fund available therefor on such date, which authorization and direction the Trustee hereby accepts.

Section 511. Rebate Fund.

(a) There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Rebate Fund." There shall be established with the Trustee for each Series of Tax-Exempt Bonds a separate Account within the Rebate Fund related to such Series of Tax-Exempt Bonds. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including, without limitation, the Owners. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Regulations promulgated thereunder. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section. **The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of this Indenture. Amounts in the Rebate Fund shall not be used to make Debt Service Payments.**

(b) There shall be deposited in each Account of the Rebate Fund as and when received (i) moneys required to be paid by the Borrower pursuant to Section 5.02(b)(i)(A)(3) of the Loan Agreement, (ii) moneys transferred from the Surplus Fund, the Operations Contingency Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Issuance Cost Fund, the Construction Fund, and/or the Bond Fund pursuant to the provisions of subsection (g) of this Section, and (iii) all other moneys received by the Trustee when accompanied by directions that such moneys are to be paid into the Account of the Rebate Fund designated therein.

(c) With respect to each Series of Tax-Exempt Bonds, promptly after each Rebate Year, and not later than thirty (30) days after all Bonds of such Series shall have been Discharged, the Borrower shall engage, and furnish information to, the Rebate Analyst and cause the Rebate Analyst to calculate the Rebate Amount with respect to such Series of Tax-

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Account of the Surplus Fund), second, the Operations Contingency Fund, third, the Debt Service Reserve Fund, fourth, the Repair and Replacement Fund, fifth, the Issuance Cost Fund, sixth, the Construction Fund, and seventh, the Bond Fund.

(h) The Trustee shall comply with the instructions to the Trustee contained in this Indenture and in the Tax Agreement provided that computations and payments may be made on other bases, at other times, and in other amounts, or omitted altogether, all as shall be set forth in a Favorable Opinion of Bond Counsel (the "Subsequent Rebate Instructions"), even if such Subsequent Rebate Instructions shall be different from or inconsistent with this Section. The Trustee shall be entitled to rely conclusively on the calculations made pursuant to this Section and any Subsequent Rebate Instructions and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

(i) Within sixty (60) days after the end of each Rebate Year, the Borrower shall deliver a certificate to the Issuer stating (i) whether or not it has received the required annual arbitrage rebate calculations of the Rebate Analyst and the certificate of the Borrower required by subsection (c) of this Section and Section 8.12(b) of the Loan Agreement, respectively, and (ii) that payment of the Rebate Amount, if any, has been made in accordance with instructions received from the Rebate Analyst.

(j) The provisions of this Section shall supersede the provisions of all other Sections of this Indenture, to the end that the excludability from gross income for the purposes of federal income taxation of interest on Series of Tax-Exempt Bonds shall not be adversely affected as a result of the inadequacy at any time of the Rebate Fund, unless the total amount held by the Trustee under all Funds established hereunder shall be insufficient.

(k) If all of the Bonds shall have been Discharged, any amount remaining in any of the Funds or Accounts created hereunder (excluding any such Fund or Account funded in accordance with the provisions of Article IX hereof) shall be transferred to the Rebate Fund to the extent that the amount therein is less than the Rebate Amount calculated as of the final Calculation Date.

(l) The Issuer hereby authorizes the Mayor to execute any documents, certificates, or reports required by the Code and to make such elections on behalf of the Issuer that may be permitted by the Code and that shall be requested by the Borrower.

(m) On the date that is ninety (90) days after all of the Bonds shall have been Discharged, the Trustee shall pay all amounts remaining in the Rebate Fund to the Ground Lessor and/or the Borrower in accordance with the provisions of the Ground Lease at such times and in such amounts as shall be set forth in a written invoice approved by the Ground Lessor and the Borrower free of any trust or lien.

(n) The Trustee shall retain records of the determination of the amount required to be deposited in the Rebate Fund, of the proceeds of any investments of money in the Rebate Fund, and of the amounts paid to the United States Treasury until the date six (6) years after all of the Bonds shall have been Discharged.

Section 512. Non-presentment of Bonds.

(a) In the event any Bonds shall not be presented for payment when the principal thereof shall become due, either at maturity, at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Owner or Owners thereof, all liability of the Issuer and the Borrower to the Owner or Owners thereof for the payment of such Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her, or their part under this Indenture or on, or with respect to, said Bonds.

(b) Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within five (5) years after the date on which the same shall have become due (or such earlier date as immediately precedes the date on which such funds would be required to escheat or be payable to the State or any other governmental unit under any laws governing unclaimed funds) shall, upon the written request of the Borrower, be paid by the Trustee to the Ground Lessor and/or the Borrower in accordance with the provisions of the Ground Lease at such times and in such amounts as shall be set forth in a written invoice approved by the Ground Lessor and the Borrower, and thereafter Bondholders shall be entitled to look only to the Ground Lessor and/or the Borrower for payment, and then only to the extent of the amount so repaid, and neither the Issuer, the Borrower, nor the Ground Lessor shall be liable for any interest thereon and shall not be regarded as a trustee of such money. If the Borrower shall fail to make the aforementioned written request, the Trustee shall apply such moneys in accordance with applicable laws governing unclaimed funds.

Section 513. 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, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, or any other trust fund or reserve under any provision hereof shall be held by the Trustee in trust and, with the exception of the Rebate Fund, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the trust created hereby and any lien or security interest granted with respect to the Trust Estate and shall be and remain entitled to the benefit and shall be subject to the security hereof for the benefit of the Owners of the Bonds.

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- (c) there shall be deposited into the Issuance Cost Fund the sum of \$_____;
- and
- (c) there shall be deposited into the Subordinate Account of the Debt Service Reserve Fund the sum of \$_____.

ARTICLE VII INVESTMENTS

Section 701. Investment of Funds and Accounts.

(a) Subject to Article IX hereof, any moneys held as part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, the Rebate Fund, reserves in connection with contested liens, other special trust funds created under this Indenture, or other Funds or Accounts held by the Trustee shall be invested and reinvested by the Trustee, at the written direction of, and as specified by, the Authorized Borrower Representative in accordance with the provisions of Section 4.07 of the Loan Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, the Rebate Fund, reserves in connection with contested liens, other special trust funds, or other Funds or Accounts, as the case may be, and the interest accruing thereon and any profit realized from such investments shall be credited as set forth in Section 702 hereof, and any loss resulting from such investments shall be charged to such Fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any Fund or Account shall be insufficient for the uses prescribed for moneys held in such Fund or Account. The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when required or permitted by the provisions hereof. The Trustee shall value the investments held in the Debt Service Reserve Fund as of the close of business on each Valuation Date and shall promptly deliver copies of such valuation to the Issuer, the Borrower, and the Underwriter. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof. The Trustee shall not be liable for any depreciation in the Value of any obligations in which moneys of Funds or Accounts shall be invested, as aforesaid, or for any loss arising from any investment. Such investments shall be made only as follows:

(i) moneys in the Revenue Fund, the Issuance Cost Fund, the Construction Fund, the Repair and Replacement Fund, the Operations Contingency Fund, the Surplus Fund (excluding the Restricted Account of the Surplus Fund), the Rebate Fund, and any other Funds or Accounts (other than as described in clauses (ii) through (v) below), only in Permitted Investments maturing or redeemable at the option of the holder in such

Section 514. Amounts Remaining in Funds and Accounts. Subject to the provisions of Section 513 hereof, any amounts remaining in the Revenue Fund, the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, or any other Fund, Account, or reserve created under this Indenture, with the exception of the Rebate Fund, after payment in full of the Debt Service Payments on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges, and expenses of the Trustee, any paying agents, and the Issuer, the amounts required to be paid to the United States pursuant to the Loan Agreement, and all other amounts required to be paid hereunder, shall be promptly paid to the Ground Lessor.

ARTICLE VI CUSTODY AND APPLICATION OF PROCEEDS OF THE BONDS

Section 601. Application of Proceeds of Series 2025A Bonds. Upon the issuance and delivery of the Series 2025A Bonds, the Trustee shall deposit the proceeds thereof in the amount of \$_____, plus original issue premium of \$_____, net of underwriter's discount of \$_____, as follows:

- (a) there shall be deposited into the Bond Fund the sum of \$_____ as Capitalized Interest (which shall be placed in the 2025A Subaccount of the Capitalized Interest Account);
- (b) there shall be deposited into the Senior Account of the Debt Service Reserve Fund the sum of \$_____;
- (c) there shall be deposited into the Construction Fund the sum of \$_____; and
- (d) there shall be deposited into the Issuance Cost Fund the sum of \$_____.

Section 602. Application of Proceeds of Series 2025B Bonds. Upon the issuance and delivery of the Series 2025B Bonds, the Trustee shall deposit the proceeds of the Series 2025B Bonds in the amount of \$_____.00, net of underwriter's discount of \$_____, as follows:

- (a) there shall be deposited into the Bond Fund the sum of \$_____ as Capitalized Interest (which shall be placed in the 2025B Subaccount of the Capitalized Interest Account);
- (b) there shall be deposited into the Construction Fund the sum of \$_____;

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amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective Fund or Account as may be specified by the Authorized Borrower Representative,

(ii) moneys in the Bond Fund, only in Permitted Investments of the type described in items (i) through (viii) of the definition thereof maturing or redeemable at the option of the holder not later than the immediately succeeding Bond Payment Date,

(iii) moneys in the Redemption Fund and the Restricted Account of the Surplus Fund, only in Permitted Investments of the type described in items (i) through (viii) of the definition thereof maturing or redeemable at the option of the holder not later than the immediately succeeding Bond Payment Date and (A) in obligations the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes or (B) at a yield that is not greater than the yield on the Tax-Exempt Bonds for the redemption of which such moneys have been deposited therein,

(iv) moneys in the Insurance Fund and the Condemnation Fund, only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective Fund and (A) in obligations the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes or (B) at a yield that is not greater than the yield on the Tax-Exempt Bonds the proceeds of which were used to finance or refinance the portion of the Project relating to such insurance or condemnation proceeds, and

(v) moneys in the Debt Service Reserve Fund, only in Permitted Investments maturing or redeemable at the option of the holder not later than two (2) years from the date of purchase thereof; provided, however, if moneys in the Debt Service Reserve Fund shall be invested in a Permitted Investment of the type described in item (i) of the definition thereof (Government Obligations) no maturity date limitation shall apply; and; provided further, if moneys in the Debt Service Reserve Fund shall be invested in a Permitted Investment of the type described in items (xi) or (xii) of the definition thereof that permit the Borrower to withdraw amounts invested thereunder at any time without penalty, such Permitted Investment may have a term of up to ten (10) years.

(b) The Trustee may conclusively rely upon the Authorized Borrower Representative's written instructions to make the directed investments. To the extent that the Trustee shall not have received written directions from the Authorized Borrower Representative regarding investment of moneys, the Trustee shall, until such written directions are received, invest such moneys pursuant to standing written instructions delivered to the Trustee by the Authorized Borrower Representative upon the original issuance of the Series 2025 Bonds as such written instructions may be amended from time to time; provided, however, if no such written standing instructions are received by the Trustee upon the original issuance of the Series 2025 Bonds, then the Trustee shall solicit written instructions from the

Authorized Borrower Representative regarding investment of moneys, but if no such instructions are then received, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder invested.

(c) Notwithstanding any provision hereof or of the Tax Agreement to the contrary, the Trustee shall not be liable or responsible for any calculation or determination that may be required in connection with or for the purpose of complying with the provisions of Section 148 of the Code or any applicable Regulations, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code and applicable Regulations and the fair market value of any investments made hereunder (except as herein provided with respect to the calculation of amounts on deposit in the Debt Service Reserve Fund), and the sole obligation of the Trustee with respect to the investment of funds hereunder shall be to invest the moneys received by the Trustee in accordance with the written instructions of the Authorized Borrower Representative and the further provisions of this Article VII. The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of the Authorized Borrower Representative comply with the requirements of Article IV of the Loan Agreement.

(d) The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

(e) The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant to the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Trustee shall furnish to the Issuer and Borrower periodic statements that include detail of all investment transactions made by the Trustee.

Section 702. Allocation of Income from Investments.

(a) All interest accruing from investments of moneys in the following Funds and Accounts and any profit realized therefrom shall be allocated as follows:

(i) interest and profits from the investments of moneys in the Revenue Fund shall be retained in the Revenue Fund,

(ii) interest and profits from the investments of moneys in the Bond Fund and in the Account(s) and subaccount(s) therein shall be retained in the Bond Fund and in such Account(s) and subaccount(s), respectively,

(iii) interest and profits from the investments of moneys in the Redemption Fund and any Account(s) therein shall be deposited into the Bond Fund,

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Section 703. Trustee's Own Bond or Investment Department. The Trustee may make any and all investments permitted under Section 701 hereof through its own bond or investment department and charge and collect the normal and customary fees therefor.

Section 704. Investment Records. The Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation, and application of the moneys held under this Indenture in order to allow the Borrower to perform the calculations required by Section 148(f) of the Code as required by the Loan Agreement. The Trustee agrees to retain investment records relating to the moneys held under this Indenture until six (6) years after the Bonds are no longer Outstanding.

Section 705. Investment Agreements. The Trustee shall not be obligated to enter into any investment or similar agreement unless the terms of any such agreement are acceptable to the Trustee in its reasonable discretion, any liability of the Trustee under such agreement shall be limited to actual losses occasioned by the gross negligence or willful misconduct of the Trustee, and the Borrower pays to the Trustee a commercially reasonable additional fee established in good faith in accordance with the Trustee's standard fee schedule.

ARTICLE VIII SUBORDINATION OF RIGHTS OF THE BORROWER

Section 801. Subordination of Rights of the Borrower. Pursuant to Section 12.08 thereof and except as otherwise provided therein, the Loan Agreement and the rights and privileges thereunder of the Borrower (other than its rights under Section 10.06 thereof) are specifically made subject and subordinate to the rights and privileges of the Trustee and the Owners of the Bonds set forth in this Indenture.

ARTICLE IX DISCHARGE OF LIEN

Section 901. Discharge; Release of Indenture.

(a) When:

(i) if the Bonds or a Series of Bonds shall have become due and payable in accordance with the terms thereof or otherwise as provided in this Indenture, the whole amount of the Debt Service Payments so due and payable on all such Bonds shall be paid, or

(ii) if the Bonds or a Series of Bonds shall not have become due and payable in accordance with the terms thereof, but:

(iv) interest and profits from the investments of moneys in the Accounts of the Issuance Cost Fund shall be deposited into the corresponding (by Series) Accounts of the Construction Fund,

(v) interest and profits from the investment of moneys in the Construction Fund and the Accounts therein shall be retained in the Construction Fund and in such Accounts, respectively,

(vi) interest and profits from the investment of moneys in the Debt Service Reserve Fund shall, subject to the provisions of Section 506(f) hereof, be retained in the Debt Service Reserve Fund,

(vii) interest and profits from the investment of moneys in the Repair and Replacement Fund shall be retained in the Repair and Replacement Fund,

(viii) interest and profits from the investment of moneys in the Insurance Fund and the Account(s) therein shall be retained in the Insurance Fund and in such Account(s), respectively,

(ix) interest and profits from the investment of moneys in the Condemnation Fund and the Account(s) therein shall be retained in the Condemnation Fund and in such Account(s), respectively,

(x) interest and profits from the investment of moneys in the Operations Contingency Fund shall be retained in the Operations Contingency Fund,

(xi) interest and profits from the investment of moneys in the Surplus Fund and the Restricted Account therein shall be retained in the Surplus Fund and in the Restricted Account, respectively,

(xii) subject to Section 511(c) hereof, interest and profits from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund, and

(xiii) interest and profits from the investment of moneys in any other Funds or Accounts shall, at the written direction of the Authorized Borrower Representative, be retained in the respective Funds or Accounts or deposited into the Bond Fund.

(b) Notwithstanding the foregoing provisions of this Section, any interest or other gain from any Fund or Account shall be transferred to the Rebate Fund to the extent required on behalf of the Borrower pursuant to Section 511(g) hereof, except that no such transfer shall be made from any Fund or Account if such transfer would cause the amount then on deposit in such Fund or Account to be less than required by the provisions, if any, of this Indenture.

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(A) the Trustee shall hold cash and/or Defeasance Obligations, the principal of and the interest on which, when due and payable, will, together with such cash, provide sufficient money to pay the Debt Service Payments on all such Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof and the Issuer shall cause to be delivered to the Trustee, at no cost to the Issuer, a verification or other appropriate report to such effect issued by an Accountant, and

(B) if such Bonds are to be called for redemption, irrevocable instructions to call such Bonds for redemption shall have been given by the Issuer to the Trustee,

and in either of such event sufficient funds shall also have been provided or provision shall have been made for paying all other obligations payable under the Bond Documents with respect thereto, including any Rebate Amount,

then and in that case, the Bonds or such Series of Bonds shall no longer be, or considered to be, Outstanding and the right, title, and interest of the Trustee in the Funds and Accounts, if any, established with respect to the Bonds or such Series of Bonds shall then cease, determine, and become void and, on demand of the Issuer and upon being furnished with an Opinion of Counsel, in form and substance satisfactory to the Trustee, to the effect that all conditions precedent to the release of this Indenture or that portion, if any, of the Trust Estate relating to such Series of Bonds shall have been satisfied, the Trustee shall release this Indenture or that portion, if any, of the Trust Estate relating to such Series of Bonds, shall execute such documents to evidence such release, if any, as may be reasonably required by the Issuer, and shall, subject to the provisions of subsections (f) and (g) of Section 511 hereof, transfer any surplus in, and all balances remaining in, all such Funds and Accounts to the Ground Lessor in accordance with the provisions of the Ground Lease.

(b) If Defeasance Obligations shall be deposited with and held by the Trustee as hereinabove provided, (i) in addition to the requirements set forth in Article III but not as a condition to defeasance, the Trustee, within thirty (30) days after such cash and/or Defeasance Obligations shall have been deposited with it, shall cause a notice to be mailed, postage prepaid, to all Owners of Bonds to be paid or redeemed, setting forth (A) the date or dates, if any, designated for the redemption of such Bonds, (B) a description of the Defeasance Obligations so held by it, and (C) that this Indenture or that portion, if any, of the Trust Estate relating to such Series of Bonds has been released in accordance with the provisions of this Section, and (ii) the Trustee shall nevertheless retain such rights, powers, and privileges under this Indenture as may be necessary and convenient in respect of such Bonds (A) for the payment of the Debt Service Payments for which such Defeasance Obligations shall have been deposited and (B) for the registration, transfer, and exchange of such Bonds.

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(c) All money and Defeasance Obligations held by the Trustee under this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

(d) Notwithstanding anything contained herein to the contrary, provision shall not be made for the payment of any Bonds if such provision would constitute an "advance refunding" under the Code, unless simultaneously with such provision for payment, the Borrower shall deliver to the Issuer and the Trustee a Favorable Opinion of Bond Counsel.

(e) Anything in Article XII hereof to the contrary notwithstanding, if such moneys or Defeasance Obligations shall have been deposited or set aside with the Trustee pursuant to this Article for the payment of the Debt Service Payments on the Bonds or a Series of Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

ARTICLE X DEFAULT PROVISIONS AND REMEDIES OF THE TRUSTEE AND THE BONDHOLDERS

Section 1001. Events of Default. Each of the following events is hereby declared an Event of Default under this Indenture:

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

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

(c) as to the Senior Bonds only, the failure to perform in a punctual manner any other of the covenants, conditions, agreements, or provisions contained in this Indenture or any agreement supplemental hereto and the continuation of such failure for thirty (30) days after receipt by the Issuer of a written notice from the Trustee specifying such failure and requiring the same to be remedied; provided, however, that if such performance requires work to be done, action to be taken, or conditions to be remedied that by their nature cannot reasonably be done, taken, or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Issuer shall begin such performance within such period and shall diligently and continuously prosecute the same to completion; or

(d) an "Event of Default" shall have occurred under any of the other Bond Documents other than the Continuing Disclosure Agreement; or

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rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon. Upon any declaration of acceleration hereunder, the Trustee shall immediately proceed to exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable.

(b) On the happening and continuance of any Event of Default under subsection (e) or (f) of Section 1001, the Trustee, on the written request of a Majority of the Bondholders, will, by notice in writing to the Issuer, the Borrower, and, if the Borrower or Trustee is not the Dissemination Agent, the Dissemination Agent, declare the principal of all Subordinate 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. If at any time after the principal of the Subordinate Bonds is 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 this Indenture, money has accumulated in the 2025B Bond Fund Account of the Bond Fund and/or any similar Account within the Bond Fund established in connection with a Series of Additional Subordinate Bonds sufficient to pay the principal of all matured Subordinate Bonds and all arrearages of interest, if any, on all Subordinate Bonds then Outstanding (except the principal of any Subordinate Bonds not then due and payable by their terms and the interest accrued on such Subordinate 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 hereunder are paid or a sum sufficient to pay the same is 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 Subordinate Bonds, in this Indenture (other than a failure to pay the principal of such Subordinate Bonds then due only because of a declaration under this Section), and in the Loan Agreement is remedied to the satisfaction of the Trustee, then and in every such case, the Trustee may, and on the written request of Majority of the Bondholders will, by written notice to the Issuer, the Borrower, the Owners of the Bonds, each Rating Agency then rating the Subordinate Bonds, and, if the Trustee or the Borrower is not the Dissemination Agent, 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. On any declaration of acceleration hereunder, the Trustee will immediately proceed to exercise such rights as it has under the Loan Agreement to declare all payments thereunder to be immediately due and payable.

Section 1003. Trustee May Bring Suit. Upon the happening and continuance of any Event of Default, then and in every such case, the Trustee on the written request of the Requisite Number of Bondholders shall, proceed, subject to the provisions of Sections 1006 and 1114 hereof, to protect and enforce its rights and the rights of the Owners under the laws of the State and under this Indenture, the other Security Documents, and the Notes by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition, or agreement contained herein or in the other Security Documents or the Notes or in aid or execution of any

(e) after the date on which no Senior Bonds remain Outstanding, failure to make due and punctual payment of the principal or Redemption Price of any Subordinate Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(f) after the date on which no Senior Bonds remain Outstanding failure to make due and punctual payment of any installment of interest on any Subordinate Bond when and as such interest installment shall become due and payable; or

(g) after the date on which no Senior Bonds remain Outstanding, failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture or any Supplemental Indenture or in the Subordinate Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Issuer by the Trustee.

Section 1002. Acceleration of Maturities.

(a) On the happening and continuance of any Event of Default, the Trustee may, and, on the written request of the Majority of the Senior Bondholders, shall, by notice in writing to the Issuer, the Borrower, and, if the Trustee is not the Dissemination Agent, the Dissemination Agent, declare the principal of all Senior Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and on such declaration, the same shall become and be immediately due and payable. Upon such declaration, interest on the Senior Bonds shall cease to accrue, and the Trustee shall promptly notify the Owners of the Senior Bonds and each Rating Agency of such declaration and that interest on the Senior Bonds shall have ceased to accrue on and as of the date of such declaration. If at any time after the principal of the Senior Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action, or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, money shall have accumulated in the any account within the Bond Fund established for the benefit of a Series of Senior Bonds sufficient to pay the principal of all matured Senior Bonds and all arrearages of interest, if any, on all Bonds then Outstanding (except the principal of any Senior 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 hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other failure known to the Trustee in the observance or performance of any covenant, condition, or agreement contained in the Senior Bonds, in this Indenture (other than a failure to pay the principal of such Senior Bonds then due only because of a declaration under this Section), and in the other Bond Documents (other than the Continuing Disclosure Agreement) shall have been remedied to the satisfaction of the Trustee, then and in every such case, the Trustee may, and on the written request of the Majority of the Senior Bondholders shall, by written notice to the Issuer, the Borrower, the Owners of the Senior Bonds, each Rating Agency, and, if the Trustee is not the Dissemination Agent, the Dissemination Agent, rescind and annul such declaration and its consequences, but no such

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power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

Section 1004. Application of Funds.

(a) All money received by the Trustee pursuant to any right given or action taken under this Indenture (other than amounts held in the Rebate Fund) shall, 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 Senior Bond Fund Account and applied to the payment of the Debt Service Payments on the Senior Bonds then due and unpaid in accordance with the provisions of this Indenture. Anything in this Indenture to the contrary notwithstanding, if at any time the money in the Senior Bond Fund Account shall not be sufficient to pay the interest on or the principal of the Senior Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 1002 hereof), 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 this Article or otherwise, shall be applied as follows:

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

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

second: to the payment to the Persons entitled thereto of the unpaid principal of any Senior Bonds that shall have become due and payable (other than Bonds deemed to have been paid under Article IX hereof), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Senior 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 Senior Bonds, to the purchase and retirement of Senior Bonds, and to the redemption of Senior Bonds, all in accordance with this Indenture;

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

(iii) if the principal of all Senior Bonds shall have been declared due and payable and if such declaration thereafter shall have been rescinded and annulled under Section 1002 hereof, then, subject to Section 1004(a)(ii) hereof, if the principal of all Senior Bonds shall later become due and payable or shall be declared due and payable, the money then remaining in and thereafter accruing to the Senior Bond Fund Account shall be applied in accordance with Section 1004(a)(i) hereof; and

(iv) after payment of the amounts in (i), (ii) and (iii), to the payment of interest and principal on all Subordinate Bonds then due.

(b) Whenever money is to be applied by the Trustee under this Section, the Trustee shall apply such money at such times and from time to time, as required hereby; the setting aside of such money, in trust for the proper purpose, constitutes proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, the Borrower, and any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall set the date (which must be an Interest Payment Date unless the Trustee deems another date more suitable) on which such application is to be made. The Trustee shall give notice by first class mail, postage prepaid, to all Owners of the setting of any such date, and shall not be required to make payment to the Owner of any Bonds until such Bonds are surrendered to the Trustee for cancellation if fully paid.

Section 1005. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or the Owners on account of any Event of Default shall have been discontinued or abandoned for any reason, then, and in every such case, the Issuer, the Trustee, and the Owners shall be restored to their former positions and rights hereunder and under the other Security Documents, respectively, and all rights, remedies, powers, and duties of the Trustee shall continue as though no proceeding had been taken.

Section 1006. Control of Proceedings by a Majority of the Bondholders. Anything else in this Indenture to the contrary notwithstanding, a Majority of the Bondholders shall have the right, subject to Section 1114 hereof, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, (a) to direct the time, method, and place of conducting all remedial proceedings to be taken by the Trustee hereunder or under any other Security Document, whether before or after the occurrence of an Event of Default, if such direction shall be in accordance with law and this Indenture and (b) to approve any consent, approval, or waiver requested to be given by the Trustee hereunder.

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Section 1010. No Remedy Exclusive. No remedy herein conferred on or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 1011. Waivers. No delay or omission by the Trustee or any Owner in the exercise of any right or power accruing on any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or any acquiescence therein, and every power or remedy given by this Indenture to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 1012. Notice of Events of Default.

(a) The Trustee shall mail to the Issuer and all Owners written notice of the occurrence of any Event of Default set forth in Section 1001 hereof within thirty (30) days after the Trustee shall have notice, or shall, under Section 1101(h) hereof, be deemed to have notice, that any Event of Default has occurred.

(b) The Trustee shall mail to the Issuer (i) notice of any default described in Section 1001(a), (b), or (c) hereof promptly on occurrence of such default, and (ii) notice of any other default known to the Trustee within fifteen (15) days of the Trustee's knowledge thereof.

Section 1013. Right to Enforce Payment of the Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of the Debt Service Payments on his, her, or its Bond or the obligation to pay the Debt Service Payments on each Bond to the Owner thereof at the time and place in the Bond expressed.

Section 1014. Subordinate Bonds. The Owners of the Subordinate Bonds shall have no consent, acceleration or direction rights or right to payment until all of the Senior Bonds have been paid in full and, at such time as all Senior Bonds have been paid.

ARTICLE XI TRUSTEE

Section 1101. Acceptance of the Trusts. The Trustee hereby accepts the trusts and obligations imposed upon it by this Indenture and by the other Bond Documents, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts and obligations, and agrees to perform said trusts and obligations, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture or any of the other Bond Documents against the Trustee:

(a) 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 herein and in the other Bond Documents. In

Section 1007. Restrictions Upon Actions by Individual Owners. Except as provided in Section 1013 hereof, no Owner shall have any right to institute any suit, action, or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless the Issuer or the Requisite Number of Bondholders previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action, or proceeding is to be instituted, and unless also the Issuer or the Owners shall have made a written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request, and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Requisite Number of Bondholders may institute any such suit, action, or proceeding in their own names for the benefit of all Owners hereunder. It is understood and intended that, except as otherwise above provided, no one or more Owners shall have any right in any manner whatsoever by his, her, its, or their action to affect, disturb, or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law shall be restricted by this Indenture to the rights and remedies herein provided.

Section 1008. Appointment of Receiver. On the occurrence of an Event of Default and on the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the amounts payable under the Loan Agreement and the Notes as assigned to the Trustee under this Indenture, pending such proceedings, with such powers as the court making such appointments shall confer, whether or not any such amounts shall be sufficient ultimately to satisfy the Bonds then Outstanding hereunder.

Section 1009. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Indenture or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee must be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners hereby secured, and any recovery of judgment shall be for the equal benefit of the Owners.

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case an Event of Default of which the Trustee shall have been notified or of which it is deemed to have knowledge shall have occurred (that shall not have been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture and by the other Bond Documents.

(b) The Trustee may execute any of the trusts or powers hereof and of the other Bond Documents and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith and without negligence, and shall be entitled to advice of counsel concerning all matters of trusts hereof and of the other Bond Documents and the duties hereunder and thereunder and may in all cases pay such reasonable compensation, subject to reimbursement, to all such attorneys, accountants, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. As to matters of law, the Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer or the Borrower) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital contained herein, in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or in the other Bond Documents or for insuring the property conveyed hereby or thereby or for collecting any insurance moneys or for the validity of the execution by the Issuer hereof or any supplemental indentures hereto or instruments of further assurance or for the sufficiency of the Security for the Bonds issued hereunder or intended to be secured hereby or for the value or title of the property conveyed hereby or otherwise as to the maintenance of the security hereof. The Trustee shall 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 this Indenture, the Loan Agreement, or the other Bond Documents except as herein expressly set forth. The Trustee shall perform all of the duties or obligations set forth for it under the other Bond Documents, but shall not be answerable for the performance of any such duty or obligation for other than its negligence or willful misconduct. The Trustee shall be under no obligation to see that any duties herein imposed upon the Issuer or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

(d) The Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed in accordance with the provisions hereof or of the Loan Agreement. The Trustee may become the Owner of Bonds secured hereby with the same rights that it would have if not Trustee.

(e) The Trustee may rely upon and shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, telegram, facsimile transmission, electronic mail, or other paper or electronic document or any oral communication

or direction reasonably believed to be genuine and correct and to have been signed or sent or given by the proper Person or Persons in accordance with the provisions of any of the Bond Documents. The Trustee shall not unreasonably withhold its consent to, approval of, or action with respect to any reasonable request of the Borrower. Any action taken by the Trustee pursuant to this Indenture or any of the other Bond Documents upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding upon all future Owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by the Authorized Issuer Representative or by the Mayor and attested by the Clerk and upon a certificate signed on behalf of the Borrower by the Authorized Borrower Representative or by the President of the Corporation and attested by the Secretary of the Corporation as sufficient evidence of the facts therein contained. Prior to the occurrence of an Event of Default of which the Trustee shall have been notified or of which it shall be deemed to have notice as provided in subsection (h) of this Section, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such a resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture and the other Bond Documents shall not be construed as a duty, and the Trustee shall not be answerable with respect to any such permissive right for other than its negligence or willful misconduct.

(h) The Trustee shall 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 hereof or any other Issuer Document or the Borrower to comply with the terms of the Loan Agreement or any other Borrower Document except:

(i) failure to cause to be made any of the payments to the Trustee required by Article V hereof, and

(ii) failure by the Borrower to make any of the Loan Payments to the Trustee required to be made by Section 5.02 of the Loan Agreement,

unless the Trustee shall be specifically notified in writing of such failure by the Issuer or by the Requisite Number of Bondholders. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to a Responsible

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(o) The Trustee shall not be liable and shall 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 Requisite Number of Bondholders 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 this Indenture.

(p) No provisions hereof or of any of the other Bond Documents shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(q) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured email, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Borrower or in the name of the Borrower by an Authorized Borrower Representative. If the Borrower shall elect to give the Trustee electronic mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee shall act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee's acting on unauthorized instructions and the risk of interception and misuse by third parties. The Trustee shall not be required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(r) In the event the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Bondholders, each representing less than a Majority of the Bondholders, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken hereunder or under any of the other Bond Documents.

(s) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture and the other Bond Documents shall extend to the Trustee's officers, directors, agents, attorneys, and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Indenture, and final payment of the Bonds.

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Officer at the Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no such failure to comply except as aforesaid. **Notwithstanding any other provision of this Indenture, no right of the Trustee to indemnification shall relieve the Trustee from responsibility for making Debt Service Payments on the Bonds when due from money available to it or accelerating the Bonds as required pursuant to Section 1002 hereof.**

(i) The Trustee shall not be liable for any debts contracted or for damages to Persons or to personal property injured or damaged or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Project as in this Indenture or the other Bond Documents provided, other than for its negligence or willful misconduct.

(j) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all of the Project, including all books, papers, and records of the Issuer and the Borrower pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, subject to the limitations imposed upon such rights of inspection pursuant to Section 8.02 of the Loan Agreement.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or under the other Bond Documents or otherwise in respect of the premises hereof or to file any returns or reports to any court in the execution of its trusts.

(l) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview hereof, the delivery of any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of any such action by the Trustee, deemed reasonably necessary for the purpose of establishing the right of the Issuer or the Trustee to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking or omitting of any other action by the Trustee.

(m) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(n) The Trustee may construe any provision hereof or of any of the other Bond Documents insofar as such may appear to it to be ambiguous or inconsistent with any other provision hereof or of any of the other Bond Documents, and any construction of any such provision by the Trustee shall be binding upon the Bondholders.

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(t) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering circular, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(u) The Trustee shall be under no obligation to analyze or make any review of any certificates, documents, information, certifications, financial statements, or reports received by it hereunder or under the Loan Agreement or other Borrower Documents, but shall hold the same delivered to it solely for the benefit of, and review by, the Issuer and the Owners of the Bonds. The Trustee shall have no duty to request copies of any such documents, information, certifications, financial statements, or reports that are required to be furnished to it.

(v) The Trustee makes no representations as to the value, condition, or sufficiency of any assets pledged or assigned as security for the Bonds; the right, title, or interest of the Issuer or the Borrower therein; the security provided thereby or by this Indenture or the other Bond Documents; the technical or financial feasibility of the Project; the compliance of the Project with the Act; or the tax-exempt status of the Bonds. The Trustee is not accountable for the use or application by the Borrower of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or the other Bond Documents.

(w) Any term of this Indenture, the Loan Agreement, any Borrower Document, or any related document to the contrary notwithstanding, and notwithstanding an agreement of indemnity, the Trustee shall have no responsibility, obligation, or duty to enter upon, or otherwise take possession or control of the Property, or take any other action that could constitute taking possession or control of the Property, unless and until the Trustee shall be satisfied, in its sole discretion and determination, that neither it nor the trusts created hereby shall incur, by reason of such action, any liability under any federal or State law for hazardous wastes, hazardous materials, or other environmental liabilities. If the Trustee shall believe it prudent or appropriate prior to taking any action with respect to possession or control of the Property, the Trustee may contract for, at the expense of the trusts created hereby, an environmental inspection of the Property.

(x) Whether or not expressly so provided, every provision of this Indenture and the other Bond Documents relating to the conduct or affecting the liability of or affording protection of the Trustee is subject to the provisions of this Section.

Section 1102. Fees, Charges, and Expenses of the Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Trustee rendered hereunder or under any of the other Bond Documents, and all advances, attorneys' fees, and other Ordinary Expenses of the Trustee reasonably made or incurred by the Trustee in connection with such Ordinary Services of the Trustee, and in the event that the

Trustee performs Extraordinary Services of the Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable Extraordinary Expenses of the Trustee in connection therewith; provided, that if such Extraordinary Services of the Trustee or Extraordinary Expenses of the Trustee are the result of the negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as bond registrar and paying agent for the Bonds as hereinabove provided. Notwithstanding any other provision hereof or of the Loan Agreement to the contrary, at all times while an Event of Default has occurred and is continuing, payments to the Trustee for services hereunder shall be superior to the payment of Debt Service Payments on the Bonds, and the Trustee shall have a first and prior lien on the Trust Estate for payment of its fees and expenses.

Section 1103. Notice if Payment Default Occurs. If a failure to comply shall occur of which the Trustee is by subsection (h) of Section 1101 hereof required to take notice or if notice of a failure to comply shall be given as in said subsection (h) provided, the Trustee shall give such notice to the Issuer as is specified in Section 1012 hereof and such notice to the Borrower as is specified in Section 10.01 of the Loan Agreement and shall give written notice thereof by first-class mail, within fifteen (15) days (unless such failure to comply shall have been cured or waived), to all Bondholders, provided that, except in the case of a failure to make due and punctual payment of the Debt Service Payments on the Bonds, the Trustee may withhold such notice to the Bondholders if and so long as the board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Trustee in good faith shall determine that the withholding of such notice is in the interests of the Bondholders.

Section 1104. Intervention by the Trustee. The Trustee may intervene on behalf of Bondholders in any judicial proceeding to which the Borrower shall be a party and which, in the reasonable opinion of the Trustee and its counsel, shall have a substantial bearing on the interests of Owners of the Bonds and shall do so if requested in writing by the Requisite Number of Bondholders and the indemnity required by Section 1114 hereof shall have been provided. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1105. 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, shall, *ipso facto*, be and become, upon meeting the requirements hereof, successor Trustee hereunder 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 additional instruments or any further act, deed, or conveyance on the part of any of the parties hereto, however notice shall be given by the Trustee of such occurrence to the Issuer,

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days after notice of resignation shall have been mailed or an instrument of removal shall have been delivered as provided under Sections 1106 and 1107 hereof, respectively, or within ten (10) days of the Issuer's knowledge of any of the events specified in (ii) hereinabove, then a Majority of the Bondholders, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, delivered personally or sent by certified or registered mail to the Issuer and the Borrower, may designate a successor Trustee. Until a successor Trustee shall be appointed by the Bondholders in the manner above provided, the Issuer, by resolution and upon written notice to the Borrower, shall appoint a temporary Trustee to fill such vacancy, and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor Trustee so appointed by the Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 1106 hereof with respect to the resignation of the Trustee. Every such successor Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof that is in good standing within or outside the State; shall be eligible to serve as trustee, bond registrar, and paying agent under applicable law; shall be duly authorized to exercise trust powers and subject to examination by federal or state authority; shall have a reported combined capital, surplus, and undivided profits of not less than Seventy-Five Million Dollars (\$75,000,000); and shall be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions hereof.

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

Section 1109. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, remedies, immunities, privileges, duties, and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1102 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, obligations, duties, remedies, immunities, privileges, rights, powers, and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successors, and every predecessor Trustee shall deliver the Bond Register to its successors. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estates, trusts, rights, obligations, remedies, immunities, privileges, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The

the University, the Borrower, and the Dissemination Agent and such successor entity shall meet the requirements of Section 1108 hereof.

Section 1106. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days' written notice to the Issuer, to the Borrower, to each Rating Agency then rating the Senior Bonds, and, by electronic notice to each Bondholder, and such resignation shall take effect at the appointment of a successor Trustee pursuant to the provisions of Section 1108 hereof and acceptance by the successor Trustee of such trusts. Such notice to the Issuer, the Borrower, and each Rating Agency then rating the Senior Bonds may be served personally or sent by registered or certified mail. If no successor Trustee shall have been so appointed by the Authorized Borrower Representative or the Bondholders pursuant to Section 1108 hereof within thirty (30) days after delivery of such notices, a temporary Trustee may be appointed by the Issuer pursuant to Section 1108 hereof. In the event that no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of the giving of written notice by the resigning Trustee as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 1107. Removal of the Trustee.

(a) The Trustee may be removed at any time upon thirty (30) days' written notice (i) by the Issuer or the Borrower for any breach of the trusts set forth herein or for any failure or refusal to act as Trustee, (ii) by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by a Majority of the Senior Bondholders, or (iii) by an instrument in writing delivered to the Trustee and to the Issuer signed by the Authorized Borrower Representative, provided no Event of Default under this Indenture or the Loan Agreement shall have occurred and be continuing. Removal of the Trustee shall not be effective until a successor or temporary Trustee shall have been appointed pursuant to Section 1108 hereof and the Trustee shall have been paid for all Ordinary Services and Extraordinary Services of the Trustee rendered hereunder and for all Ordinary Expenses and Extraordinary Expenses of the Trustee incurred hereunder.

(b) The Issuer or the Borrower, on behalf of the Issuer, shall give written notice of removal of the Trustee in accordance with the provisions of subsection (a) hereof to each Rating Agency then rating the Senior Bonds.

Section 1108. Appointment of Successor Trustee; Temporary Trustee.

(a) In case the Trustee shall (i) resign or be removed or (ii) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting hereunder, a successor may be appointed by an instrument executed and signed by the Mayor and attested by the Clerk under seal and executed by the Authorized Borrower Representative; provided, that if a successor Trustee shall not be so appointed within ten (10)

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resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture or a financing statement relating hereto shall have been filed or recorded, if any.

Section 1110. Right of the Trustee to Pay Insurance, Taxes, and Other Charges. In case any tax, assessment, or governmental or other charge upon, or insurance premium with respect to, any part of the property herein conveyed is not paid as required herein or in the Loan Agreement and is not being contested pursuant to Section 6.03 of the Loan Agreement, the Trustee may, but shall not be obligated to, pay such tax, assessment, or governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure, and any amount at any time so paid under this Section or under Section 6.08 of the Loan Agreement, with interest thereon from the date of payment at the Default Rate, shall become an additional obligation secured by this Indenture and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the revenues herein pledged to the payment of the Bonds if not otherwise caused to be paid, but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Requisite Number of Bondholders and shall have been provided with adequate funds for the purpose of such payment.

Section 1111. Trustee Protected in Relying Upon Resolutions. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 1112. Successor Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar. In the event of a change in the Office of the Trustee, the predecessor Trustee that has resigned or has been removed shall cease to be Trustee or depository of the Bond Fund, the Redemption Fund, the Issuance Cost Fund, the Construction Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund, the Insurance Fund, the Condemnation Fund, the Operations Contingency Fund, the Surplus Fund, and any special trust funds hereunder created and shall cease to be paying agent for the payment of the Debt Service Payments on the Bonds and shall cease to be bond registrar, and the successor Trustee as qualified under Section 1108 hereof shall become such Trustee or depository, paying agent, and bond registrar.

Section 1113. Trust Estate May Be Vested in Separate Trustee or Co-Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Bond Documents and in particular in case of the enforcement of either on an Event of Default, or in case the Trustee

deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or may not hold title to the Trust Estate, in trust, as herein granted, or may not take any other action that may be necessary or desirable in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 1113 are adopted to these ends.

(b) In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, duty, obligation, interest, security interest, and lien expressed or intended by this Indenture to be exercised by or vested in or granted or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him, her, or it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate trustee or co-trustee.

Section 1114. Indemnification of Trustee. Before taking any action under this Indenture, except any action pursuant to Sections 1201 or 1301 of this Indenture or as otherwise specifically provided in this Indenture, the Trustee may require that a reasonably satisfactory indemnity bond be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities, except for liability that is adjudicated to have resulted from the negligence or willful misconduct of the Trustee by reason of any action so taken.

Section 1115. List of Bondholders. The Trustee shall keep on file a list of names and addresses of all Owners of Bonds as may from time to time be shown on the Bond Register in the hands of the Trustee together with the principal amount and numbers of such Bonds, or upon request of the Issuer, the Borrower or the Underwriter shall request such list of beneficial holders from DTC. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee and provided that said list may be available for inspection under applicable law, said list may be inspected and copied by the Issuer, the Borrower, the Underwriter, or the Owners (or a designated representative thereof) of fifteen percent (15%) or more in aggregate principal

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engage in or be interested in any financial or other transaction with the Issuer or the Borrower and may act as depository, trustee, or agent for any committee of Bondholders secured hereby or other obligations of the Issuer as freely as if it were not Trustee. The provisions of this Section shall extend to affiliates of the Trustee.

ARTICLE XII AMENDMENT OF INDENTURE

Section 1201. Amendments to Indenture and Supplemental Indentures Not Requiring Consent of the Bondholders.

(a) The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an amendment to this Indenture or an indenture supplemental to this 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, this Indenture,

(ii) to add to the covenants and agreements of, and the limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations, and/or restrictions to be observed by the Issuer for the protection of the Bondholders or to surrender or limit any right or power herein reserved or conferred upon the Issuer,

(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 hereof or any of the other Security Documents additional revenues, properties, or collateral,

(vi) to modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof 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 this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute,

amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 1116. Information from the Trustee.

(a) It shall be the duty of the Trustee, on or before the fifteenth (15th) day of each month to deliver to the Borrower a statement setting forth in respect of the preceding calendar month:

(i) the amount withdrawn or transferred by it and the amount deposited with it on account of each Fund or Account held by it under the provisions of this Indenture,

(ii) the amount on deposit with it at the end of such month in each such Fund or Account,

(iii) a brief description of all Permitted Investments held by it as an investment of money in each such Fund or Account,

(iv) the amount applied to the purchase or redemption of Bonds under the provisions of Article III hereof and a description of the Bonds or portions thereof so purchased or redeemed, and

(v) any other information regarding the administration of any Fund or Account administered hereunder that the Issuer or the Borrower may reasonably request.

(b) The Trustee shall also deliver to the Borrower, and to the Issuer upon its request, an annual statement covering the matters set forth in items (i) through (v) of subsection (a) of this Section on a basis coinciding with the Annual Period.

(c) In addition, on the fifth (5th) anniversary date of the issuance of the Series 2025A Bonds or any Additional Bonds that are Tax-Exempt Bonds, and on each fifth (5th) anniversary thereafter, upon written request of the Borrower and at the Borrower's expense, the Trustee shall deliver to the Borrower such information in its possession as the Borrower may deem reasonably necessary to determine the Rebate Amount and the rebatable amount as set forth in Section 511 hereof.

(d) All records and files pertaining to the Bonds or the Borrower in the custody of the Trustee shall be open at all reasonable times and upon reasonable prior notice to the inspection of the Issuer or the Borrower and its agents and representatives.

Section 1117. Trustee May Own Bonds. The Trustee, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold, and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if it were not Trustee. The Trustee, in its commercial banking or in any other capacity, may also

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(vii) to modify, amend, or supplement this Indenture in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes,

(viii) to modify, amend, or supplement this Indenture in such a manner as shall be necessary in connection with the appointment of a successor Securities Depository hereunder,

(ix) to modify, amend, or supplement this Indenture for the purpose of obtaining or retaining a rating on the Bonds or a Series of Bonds from a Rating Agency,

(x) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder,

(xi) to reflect a revision to Exhibit B attached hereto in accordance with the provisions of Section 5.05 of the Loan Agreement, or

(xii) to reflect a change in applicable law provided that the Trustee shall determine that such amendment or supplemental indenture does not materially adversely affect the Bondholders.

(b) The Issuer and the Trustee shall, without the consent of or notice to any of the Bondholders, enter into an amendment to this Indenture or an indenture supplemental to this Indenture (i) in connection with the issuance of any Additional Bonds in accordance with Section 211 hereof and the inclusion of additional Security in connection therewith, (ii) to the extent necessary with respect to the land and interests in land, buildings, furnishings, machinery, equipment, and all other real and personal property that may form a part of the Project, so as to identify the same more precisely or to substitute or add additional land or interests in land, buildings, furnishings, machinery, equipment, or real or personal property as Security, or (iii) with respect to any changes required to be made in the description of the Security in order to conform with similar changes made in the Loan Agreement as permitted by Section 1301 hereof.

(c) In making any judgment or determination under this Section, the Trustee may, as to matters of law, conclusively rely on an Opinion of Counsel.

Section 1202. Amendments to Indenture and Supplemental Indentures Requiring Consent of the Bondholders.

(a) Exclusive of amendments and indentures supplemental hereto governed by Section 1201 hereof and subject to the terms and provisions contained in this Section and not otherwise, a Super-Majority of the Bondholders shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of an amendment to this Indenture or such indenture

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supplemental hereto as shall 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 this Indenture, in any amendment to this Indenture, or in any supplemental indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting:

- (i) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate (other than a change in a variable rate as provided herein) or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of the Owners of all of such Bonds, or
 - (ii) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interests hereof, without the consent of the Owners of all of the Bonds at the time Outstanding that would be affected by the action to be taken, or
 - (iii) a reduction in the amount, or an extension of the time of any payment, required by the mandatory sinking fund redemption provisions of Section 303 hereof, without the consent of the Owners of all of the Bonds at the time Outstanding that would be affected by the action to be taken, or
 - (iv) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Owners of all of the Bonds at the time Outstanding, or
 - (v) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee, or
 - (vi) a privilege or priority of any Senior Bond or Senior Bonds over any other Senior Bond or Senior Bonds, without the consent of the Owners of all of the Senior Bonds at the time Outstanding, or
 - (vii) a privilege or priority of any Subordinate Bond or Subordinate Bonds over any other Subordinate Bond or Subordinate Bonds, without the consent of the Owners of all of the Subordinate Bonds at the time Outstanding, or
 - (viii) the release hereof or requirements for the release hereof, without the consent of the Owners of all of the Bonds at the time Outstanding.
- (b) If at any time the Issuer shall request the Trustee to enter into any such amendment or supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, upon being reasonably indemnified with respect to expenses, cause notice of the

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ARTICLE XIII AMENDMENT OF OTHER BOND DOCUMENTS

Section 1301. Amendments to Other Bond Documents Not Requiring Consent of the Bondholders.

(a) The Issuer and the Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the Bond Documents other than this Indenture for any one or more of the following purposes: (i) as may be required by the provisions of the Loan Agreement or this Indenture, (ii) to provide for the issuance of Additional Bonds as provided in Section 211 hereof, (iii) to cure any error, ambiguity, or formal defect or omission therein, or to correct or supplement any defective provision thereof, (iv) to add to the covenants and agreements of, and the limitations and restrictions upon, the Borrower therein other covenants, agreements, limitations, and/or restrictions to be observed by the Borrower for the protection of the Bondholders or to surrender or limit any right or power herein reserved or conferred upon the Borrower, (v) in connection with the land and interests in land, buildings, machinery, equipment, and other real or personal property described in Exhibits "A" and "B" to the Loan Agreement, the Leasehold Mortgage, and/or the Security Agreement so as to identify more precisely the same or to substitute or add additional land or interests in land, buildings, machinery, equipment, or other real or personal property, (vi) to reflect a revision to Exhibit "E" attached to the Loan Agreement in accordance with the provisions of Section 5.05 of the Loan Agreement, (vii) to reflect a change in applicable law provided that the Trustee shall determine that such amendment, change, or modification does not materially adversely affect the Bondholders, (viii) to amend, change, or modify such Bond Documents in such manner as to assure the continued exclusion of the interest on any Tax-Exempt Bonds from the gross income of the Owners thereof for federal income tax purposes, (ix) to modify, amend, or change such Bond Documents in such a manner as shall be necessary in connection with the appointment of a successor Securities Depository under the Indenture, (x) to modify, amend, or change such Bond Documents for the purpose of obtaining or retaining a rating on the Bonds or a Series of Bonds from a Rating Agency, (xi) to substitute a new "Borrower" under the Loan Agreement as provided therein, (xii) to comply with any provisions of the Securities Act, the Exchange Act, or any rules or regulations promulgated thereunder, or (xiii) to make any other change therein that, in the judgment of the Trustee, does not prejudice the Trustee or materially adversely affect the Bondholders.

(b) In making any judgment or determination under this Section, the Trustee may, as to matters of law, conclusively rely on an Opinion of Counsel.

(c) Anything herein to the contrary notwithstanding, if the Borrower shall not be in default under the Loan Agreement at such time, an amendment hereto or supplemental document under this Article XIII that affects any rights or obligations of the Borrower or that changes the priority or use of moneys shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such amendment or supplement to any Bond Documents. In this regard, the Trustee shall cause notice of the proposed execution and

proposed execution of such amendment or supplemental indenture to be given in substantially the manner provided in Section 308 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed amendment or supplemental indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, a Super-Majority of the Bondholders shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment or supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an Opinion of Counsel as conclusive evidence that execution and delivery of an amendment or supplemental indenture has been effected in compliance with the provisions of this Article XII.

(c) Anything herein to the contrary notwithstanding, if the Borrower shall not be in default under the Loan Agreement at such time, an amendment hereto or supplemental indenture under this Article XII that affects any rights or obligations of the Borrower or that changes the priority or use of moneys under this Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such amendment or supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such amendment or supplemental indenture, together with a copy of such amendment or supplemental indenture, to be mailed by certified or registered mail or personally delivered to the Borrower at least fifteen (15) days prior to the proposed date of execution and delivery of any such amendment or supplemental indenture. Under such circumstances, the Borrower shall be deemed to have consented to the execution and delivery of any such amendment or supplemental indenture if the Trustee shall not have received a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the fifteenth (15th) day after the mailing of such notice and a copy of the proposed amendment or supplemental indenture.

(d) The Trustee shall not be obligated to sign any amendment or supplement to this Indenture or the Bonds as authorized by this Article if such amendment or supplement, in the judgment of the Trustee, might adversely affect the rights, duties, liabilities, protections, indemnities, or immunities of the Trustee. In signing any such amendment or supplement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, a Favorable Opinion of Bond Counsel.

Section 1203. Notice to Rating Agencies. The Trustee shall, prior to execution, give written notice of, and, after execution, copies of any amendment to this Indenture or to any indenture supplemental to this Indenture to each Rating Agency then rating the Senior Bonds.

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delivery of any such amendment or supplement, together with a copy of such amendment or supplement, to be mailed by certified or registered mail or personally delivered to the Borrower at least fifteen (15) days prior to the proposed date of execution and delivery of any such amendment or supplement. Under such circumstances, the Borrower shall be deemed to have consented to the execution and delivery of any such amendment or supplement if the Trustee shall not have received a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the fifteenth (15th) day after the mailing of such notice and a copy of the proposed amendment or supplement.

Section 1302. Amendments to Other Bond Documents Requiring Consent of the Bondholders.

(a) Except for the amendments, changes, or modifications as provided in Section 1301 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change, or modification of the Bond Documents or any of them other than this Indenture without giving notice to and obtaining the written approval or consent of a Super-Majority of the Bondholders given and procured as in this Section 1302 provided; provided, however, that nothing in this Section or Section 1301 hereof shall permit or be construed as permitting, (i) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of the Owners of all of the Bonds at the time Outstanding or (ii) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Owners of all of the Bonds at the time Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change, or modification of such other Bond Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Trustee and a Super-Majority of the Bondholders shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee from consenting to the execution thereof or to enjoin or restrain the Issuer or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith.

(b) The Trustee shall not be obligated to sign any amendment or supplement to the Bond Documents as authorized by this Article if such amendment or supplement, in the

judgment of the Trustee, might adversely affect the rights, duties, liabilities, protections, indemnities, or immunities of the Trustee. In signing any such amendment or supplement, the Trustee shall be entitled to receive, and shall be fully protected in relying on, a Favorable Opinion of Bond Counsel.

Section 1303. Notice to Rating Agencies. The Trustee shall, prior to execution, give written notice of, and, after execution, copies of any amendment, change, or modification of the Bond Documents other than this Indenture to each Rating Agency.

ARTICLE XIV MISCELLANEOUS

Section 1401. Consents of Bondholders. Any consent, request, direction, approval, waiver, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, waiver, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument or writing acknowledged to him or her the execution thereof; where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such affidavit or certificate shall also constitute sufficient proof of his or her authority;

(b) the fact of ownership of Bonds and the amount or amounts, numbers, other identification of such Bonds, and the date of ownership shall be proved by the Bond Register;

(c) any request, consent, or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request, consent, or vote; and

(d) in determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Indenture, Bonds that are owned by the Issuer, by the Borrower, or by any other obligor under the Loan Agreement or on the Bonds, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any

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If to the Issuer:	Palm Beach County, Florida 100 Australian Avenue, Suite 500 West Palm Beach, Florida 33405 Attention: David Jaco Telephone: (561) 233-3671 Facsimile: (561) 233-3661 E-Mail: djaco@pbc.gov
With a Copy to:	Palm Beach County Attorney's Office 301 N. Olive Avenue, Suite 601 West Palm Beach, Florida 33401 Attention: David Behar, Esq. Telephone: (561) 355-2734 Facsimile: (561) 656-7045 E-Mail: Dbehar@pbcgov.org
If to the Borrower:	Provident Group – PBAU Properties II LLC 5565 Bankers Avenue Baton Rouge, Louisiana 70808 Attention: Steve E Hicks Telephone: (225) 766-3999 Facsimile: (225) 766-3988 E-Mail: Hicks@Provident.org
If to the Underwriter:	J.P. Morgan Securities LLC 4000 Center North Hills St, Floor 6 Raleigh, NC, 27609-2615 Attention: Kent Lawrence Telephone: 919-278-1638 Facsimile: 919-237-9821 E-Mail: kent.w.lawrence@jpmorgan.com
If to the Trustee:	Hancock Whitney Bank 445 North Boulevard, Suite 201 Baton Rouge, Louisiana 70808 Attention: Corporate Trust Department Telephone: (225) 248-7407 Facsimile: (225) 248-7469 E-Mail: John.Shiroda@hancockwhitney.com

other obligor under the Loan Agreement or on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, but only Bonds that the Trustee knows to be so owned shall be disregarded; Bonds so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Bonds; in case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 1402. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower, and the Owners of the Bonds any legal or equitable right, remedy, or claim under or in respect to this Indenture, or any covenants, conditions, and provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Borrower, and the Owners of the Bonds herein provided for.

Section 1403. Severability.

(a) If any provision hereof shall be held or be deemed to be or shall, in fact, be illegal, invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained illegal, invalid, inoperative, or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses, or sections in this Indenture contained shall not affect the remaining portions hereof or any part thereof.

Section 1404. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested or shall be sufficiently given and deemed given when dispatched by electronic or facsimile transmission (with the receipt of any such electronic or facsimile transmission to be followed up by telephone to confirm receipt thereof), or by personal delivery addressed as follows:

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If to the University:	Palm Beach Atlantic University, Inc. 901 S. Flagler Drive West Palm Beach, Florida 33401 Attention: Vice President for Finance & Administration Telephone: (561) 803-2083 E-Mail: Stacie.Bowie@pba.edu
With a Copy to:	Office of the General Counsel 901 S. Flagler Drive West Palm Beach, Florida 33401 Attention: Chief Legal Officer Phone: (561) 803-2148 Email: Steve.Alderman@pba.edu

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, electronic or facsimile transmission (with telephone contact to confirm such receipt), messenger, courier service, or otherwise) to any Person at any location where such Person may be found, or to an officer, agent or employee of such Person at the address of such Person set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) that is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee and the University. Any party named in this Section 1404 may, by notice given to all parties to this Indenture and the Loan Agreement, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 1405. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date for any payment of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be, in the location of the Office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then payment of Debt Service Payments on the Bonds need not be made on such date but may be made on the immediately succeeding Business Day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1406. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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Section 1407. Laws Governing Indenture and Situs and Administration of Trust. The effect and meanings hereof and the rights of all parties hereunder shall be governed by and construed according to the laws of the State, exclusive of the State's rules regarding choice of law, but it is the intention of the Issuer that the situs of the trust created by this Indenture be in the state in which is located the Office of the Trustee from time to time acting under this Indenture. The word "Trustee" as used in the preceding sentence shall not be deemed to include any additional individual or institution appointed as a separate or co-trustee pursuant to Section 1113 hereof. It is the further intention of the Issuer that the Trustee administer said trust in the state in which it is located, from time to time, and that the same be, for all purposes hereunder, the situs of said trust.

Section 1408. No Liability of Issuer's or Trustee's Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Indenture, or in the Bonds, or for any claim based thereon, or under any judgment obtained against the Issuer or the Trustee, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, member, agent, employee, or officer, as such, past, present, or future of the Issuer or the Trustee, or any incorporator, member, agent, employee, or officer of any successor corporation, as such, either directly or through the Issuer or the Trustee or any successor corporation, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, agent, employee, or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Bonds.

Section 1409. Authority of Authorized Borrower Representative. Whenever under the provisions of this Indenture or the Loan Agreement the approval of the Borrower shall be required, or the Issuer or the Trustee shall be required to take some action at the request of the Borrower, such approval or such request may be made by an Authorized Borrower Representative unless otherwise specified herein or in the Loan Agreement. The Issuer or the Trustee shall be authorized to act on any such approval or request and the Borrower shall have no complaint against the Issuer or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions hereof or of the Loan Agreement by an Authorized Borrower Representative shall be on behalf of the Borrower and shall not result in any personal liability of such Authorized Borrower Representative.

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IN WITNESS WHEREOF, Palm Beach County, Florida, has caused this Trust Indenture to be executed in its name and on its behalf by its duly authorized officers and Hancock Whitney Bank, has caused this Indenture to be executed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

[Signature Page | Trust Indenture]

Section 1410. Authority of Authorized Issuer Representative. Whenever under the provisions of this Indenture or the Loan Agreement the approval of the Issuer shall be required, or the Borrower or the Trustee shall be required to take some action at the request of the Issuer, such approval or such request may be made by an Authorized Issuer Representative unless otherwise specified herein or in the Loan Agreement. The Borrower or the Trustee shall be authorized to act on any such approval or request and the Issuer shall have no complaint against the Borrower or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions hereof or of the Loan Agreement by an Authorized Issuer Representative shall be on behalf of the Issuer and shall not result in any personal liability of such Authorized Issuer Representative.

Section 1411. Electronic Signatures. The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Indenture) shall be deemed (a) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 1412. Patriot Act. Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. Accordingly, the Trustee may require documentation from each non-individual Person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity and that the Trustee may also request identifying information to sufficiently verify the identities of individuals claiming authority to represent the entity.

[Remainder of Page Intentionally Left Blank]

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HANCOCK WHITNEY BANK, as Trustee

By: _____
Name: Stephen Edwards
Title: Trust Officer

[Signature Page | Trust Indenture]

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EXHIBIT A

DESCRIPTION OF THE PROPERTY

A parcel of land being a portion of Lots 2, 3, 4, 5, 6, 7, 8, and 20, all of Lot 21 and a portion of abandoned Kings Court, according to the Plat of KINGS COURT, as recorded in Plat Book 5, Page 59, Palm Beach County, Florida Public Records and a portion of Lots 1, 15, Gruber Place, and Wallingford Place, according to the Plat of JEFFERSON PARK, as recorded in Plat Book 1 Page 90, Palm Beach County, Florida Public Records and a portion of Lots 1, 2, and 3, according to the Plat of CHADBOURNE PARK, as recorded in Plat Book 2, Page 88, Palm Beach County, Florida Public Records, being more particularly described as follows:

BEGIN at a point on the West line of said Lot 3, CHADBOURNE PARK lying 159.25 feet South of the Northwest corner of said Lot 1, CHADBOURNE PARK; thence North 88°51'54" West, a distance of 76.52 feet to a point; thence North 00°26'02" East a distance of 423.50 feet to a point; thence South 89°06'07" East a distance of 222.16 feet to a point on the West Maintenance Right-of-Way line of South Olive Avenue as shown in Road Plat Book 9, Page 164. of the Public Records of Palm Beach County, Florida; thence along said West Right-of-Way line for the following four (4) courses;

- 1) South 00°53'54" West a distance of 134.02 feet;
- 2) South 04°51'07" West a distance of 79.78 feet;
- 3) South 11°15'42" West a distance of 52.79 feet;
- 4) South 01°10'18" West a distance of 158.79 feet;

thence North 88°51'54" West, departing said Right-of-Way line, a distance of 126.46 feet to the POINT OF BEGINNING.

The West line of said Lot 3, CHADBOURNE COURT, is assumed to bear South 01°00'53" West and all other bearings are relative thereto.

Containing in all 90.261 square feet or 2.0721 acres, more or less.

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EXHIBIT C

FORM OF REQUISITION FROM THE ISSUANCE COST FUND

ISSUANCE COST FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 504(a) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee"), that the following amounts be disbursed to the following parties for the account of the Borrower from the [2025A/2025B/ _____] Account of the Issuance Cost Fund created under the Indenture:

Name of Payee	Nature of Disbursement	Amount

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer are hereby ratified and confirmed in all material respects, (2) the above-listed items are properly included within the definition of "Issuance Costs" in the Loan Agreement, and (3) no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.

PROVIDENT GROUP - PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

C-1

EXHIBIT B

SCHEDULE OF PAYMENTS TO THE REPAIR AND REPLACEMENT FUND

Annual Period Ending June 30 of the Year	Total Reserves
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	

Subject to adjustment as provided in Section 5.05 of the Loan Agreement.

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EXHIBIT D

FORM OF REQUISITION FROM THE CONSTRUCTION
FUND FOR NON-CONSTRUCTION COSTS

CONSTRUCTION FUND
CERTIFICATE AND REQUISITION FOR PAYMENT OF NON-CONSTRUCTION COSTS

Date: _____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 505(a) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee"), that the following amounts be disbursed to the following parties for the account of the Borrower from the [2025A/2025B/ _____] Account of Construction Fund created under the Indenture, for the payment of Non-Construction Costs (as defined in the Indenture):

Name of Payee	Nature of Disbursement	Amount

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer, including, but not limited to, Section 4.03 thereof, are hereby ratified and confirmed in all material respects, (2) the above-listed items are Non-Construction Costs, and (3) the payment of the amounts set forth in this requisition, together with the payment of all prior requisitions from the Construction Fund, will not result in more than five percent (5%) of the proceeds of the Series [2025A/ _____] Bonds being used directly or indirectly in any trade or business carried on by any person who is not a "501(c)(3) organization" or a "governmental unit," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended, or in any unrelated trade or business of a 501(c)(3) organization, [To be included only if requisition is for proceeds of a Series of Tax-Exempt Bonds], and (4) [no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.

PROVIDENT GROUP - PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

D-1

EXHIBIT E-1

**FORM OF REQUISITION FROM THE
CONSTRUCTION FUND FOR CONSTRUCTION COSTS**

CONSTRUCTION FUND

CERTIFICATE AND REQUISITION FOR PAYMENT OF CONSTRUCTION COSTS

Date: _____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 505(a) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee") that the amounts set forth in the attached Application and Certificate for Payment [(AIA Form G702)] (the "Application and Certificate") and the attached Continuation Sheets [(AIA Document G703)] ("Continuation Sheets") be disbursed to the parties set forth therein for the account of the Borrower from the [2025A/2025B/_____] Account of the Construction Fund (the "Construction Fund") created under the Indenture, for the payment of Construction Costs (as defined in the Indenture). **[Attached hereto is evidence of prior payment by the Borrower to the appropriate contractor or supplier under the Construction Contracts.] [To be included only if requisition includes any reimbursement to the Borrower or the Issuer]**

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer, including, but not limited to, Section 4.03 thereof, are hereby ratified and confirmed in all material respects and the builder's risk-completed value form insurance required by Section 6.01 of the Loan Agreement is in full force and effect and (2) the items described in the attached Application and Certificate for Payment and Continuation Sheets are Construction Costs, (3) **[the payment of the amounts set forth in the Application and Certificate and Continuation Sheets from the Construction Fund, together with the payment of all prior requisitions from the Construction Fund, will not result in more than five percent (5%) of the proceeds of the Series 2025A] Bonds** being used directly or indirectly in any trade or business carried on by any person who is not a "501(c)(3) organization" or a "governmental unit," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended, or in any unrelated trade or business of a 501(c)(3) organization, **[To be included only if requisition is for proceeds of a Series of Tax-Exempt Bonds] and (4) [no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.**

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PROVIDENT GROUP – PBAU PROPERTIES II LLC

By: _____
Authorized Borrower Representative

The undersigned hereby approves the within requisition for payment and certifies that all construction to date is in compliance with the Plans and Specifications.

[_____]

By: _____
Its: _____

[INDEPENDENT ENGINEER]

By: _____
Its: _____

EXHIBIT E-2

FORM OF REQUISITION

**FORM OF REQUISITION FROM THE
CONSTRUCTION FUND FOR RETAINAGE**

CONSTRUCTION FUND

CERTIFICATE AND REQUISITION FOR PAYMENT OF RETAINAGE

Date: _____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 505(a) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee") and Section 4.03(d)(iv)(B) of the Loan Agreement (as hereinafter defined) that the amounts set forth in the attached Application and Certificate for Payment [(AIA Form G702)] (the "Application and Certificate") and the attached Continuation Sheets [(AIA Document G703)] ("Continuation Sheets") be disbursed to the parties set forth therein for the account of the Borrower from the [2025A/2025B/_____] Account of the Construction Fund (the "Construction Fund") created under the Indenture, for the payment of Construction Costs (as defined in the Indenture). Capitalized terms used in this Certificate and Requisition for Payment and not otherwise defined herein have the meanings ascribed thereto in the Indenture. **[Attached hereto is evidence of prior payment by the Borrower to the appropriate contractor or supplier under the Construction Contracts.] [To be included only if requisition includes any reimbursement to the Borrower.]**

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer, including, but not limited to, Section 4.03 thereof, are hereby ratified and confirmed in all material respect and the builder's risk-completed value form insurance required by Section 6.01 of the Loan Agreement is in full force and effect and (2) the items described in the attached Application and Certificate for Payment and Continuation Sheets are Construction Costs, (3) **[the payment of the amounts set forth in the Application and Certificate and Continuation Sheets from the Construction Fund, together with the payment of all prior requisitions from the Construction Fund, will not result in more than five percent (5%) of the proceeds of the Series 2025A Bonds** being used directly or indirectly in any trade or business carried on by any person who is not a "501(c)(3) organization" or a "governmental unit," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended, or in any unrelated trade or business of a 501(c)(3)

E-2-1

organization, **[To be included only if requisition is for proceeds of a Series of Tax-Exempt Bonds] and ((4)) [no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement, ((5)) the [Development Agreement] [Construction Contract] has been performed to the Borrower's satisfaction, as evidenced by the signature of the Authorized Borrower Representative affixed hereto, ((6)) attached hereto is an affidavit from the Developer certifying that the Developer, the General Contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, ((7)) attached hereto is a [final certificate of occupancy] [temporary certificate of occupancy] for the Building and all other necessary operating permits, which constitute all the certificates of approval necessary for operation of the Project,] [General Construction Contracts Only] [and] ((8)) with respect to the General Construction Contract, attached hereto is a certificate of substantial completion listing the items to be completed or corrected [if there are any] and] the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Developer and the Independent Engineer, such approval evidenced by their execution thereof, stating that, except for amounts retained by the Trustee for costs of the construction not then due and payable, a) construction of that portion of the Project relating to such General Construction Contract has been completed substantially in accordance with the Plans and Specifications, and all labor, services, materials, and supplies used in such construction have been paid or provided for, b) all other facilities necessary in connection with the construction of that portion of the Project relating to such General Construction Contract have been constructed, acquired, and installed substantially in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for, and c) according to the "as built" survey of the Property or a certificate of the surveyor, the Building does not encroach on any other property or violate any setback or sideline requirements applicable to the Property.] Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being.**

[Signatures to Follow]

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PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

The undersigned hereby approves the within requisition for payment and certifies that all construction to date is in compliance with the Plans and Specifications. In addition, in accordance with the requirements of Section 4.03(d)(iv)(B) of the Loan Agreement, the undersigned hereby certifies the matters addressed in **[8(b)]** of the requisition for payment.

[_____]

By: _____
Its: _____

[INDEPENDENT ENGINEER]

By: _____
Its: _____

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EXHIBIT G

FORM OF REQUISITION FROM THE INSURANCE AND CONDEMNATION FUNDS

[INSURANCE/CONDEMNATION] FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____, ____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 508 of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee"), that the following amounts be disbursed to the following parties for the account of the Issuer from the [Insurance] [Condemnation] Fund (the "[Insurance Condemnation Fund]") created under the Indenture for the payment of acquisition costs described in Section [7.01(c)(i/ii)/7.02(b)(i/ii)] of the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer:

Name of Payee	Nature of Disbursement	Amount

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed in all material respects and (2) the payment of the above-listed items from the [Insurance Condemnation Fund], together with the payment of all prior requisitions from the Construction Fund created under the Indenture, the [Insurance Condemnation Fund], and the [Insurance Condemnation Fund] created under the Indenture, will not result in more than five percent (5%) of the proceeds of the Series [2025A/_____] Bonds being used directly or indirectly in any trade or business carried on by any person who is not a "501(c)(3) organization" or a "governmental unit," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended, or in any unrelated trade or business of a 501(c)(3) organization, and (3) no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.

PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

G-1

EXHIBIT F

FORM OF REQUISITION FROM THE REPAIR AND REPLACEMENT FUND

REPAIR AND REPLACEMENT FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____, ____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 507(c) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee"), that the following amounts be disbursed to the following parties for the account of the Borrower from the Repair and Replacement Fund created under the Indenture:

Name of Payee	Nature of Disbursement	Amount

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer are hereby ratified and confirmed in all material respects, (2) the above-listed items are maintenance and repair costs related to the Series 2025 Project that the Borrower is obligated to pay pursuant to Section 6.01 of the Loan Agreement, and (3) no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement.

PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

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EXHIBIT H

FORM OF REQUISITION FROM THE OPERATIONS CONTINGENCY FUND

OPERATIONS AND CONTINGENCY FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____, ____

Draw Request # _____

Provident Group – PBAU Properties II LLC (the "Borrower") hereby requests, pursuant to Section 509(b) of the Trust Indenture (the "Indenture") dated as of June 1, 2025, between Palm Beach County, Florida (the "Issuer") and Hancock Whitney Bank, as Trustee (the "Trustee") that the following amounts be disbursed to the following parties for the account of the Borrower from the Operations Contingency Fund created under the Indenture:

Name of Payee	Nature of Disbursement	Amount

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement (the "Loan Agreement") dated as of June 1, 2025, by and between the Borrower and the Issuer are hereby ratified and confirmed in all material respects, (2) the above-listed items are authorized by the provisions of Section 509(b) of the Indenture, (3) no Event of Default has occurred and is continuing under the Indenture or the Loan Agreement and (4) following the payment requested herein the Operations Contingency Fund shall have on deposit the required minimum balance therein.

PROVIDENT GROUP – PBAU PROPERTIES II
LLC

By: _____
Authorized Borrower Representative

[The undersigned hereby approves the within requisition for payment.

PALM BEACH ATLANTIC UNIVERSITY, INC.

By: _____
Its: _____]

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EXHIBIT I

FORM OF SERIES 2025A BOND

UNLESS THIS SERIES 2025A BOND (HEREINAFTER DEFINED) IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO HANCOCK WHITNEY BANK, (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, THE "TRUSTEE") FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

This Series 2025A Bond is subject to the Issuer's requirement that any Owner hereof be a "qualified institutional buyer" as defined in Section 207 of the Indenture.

PALM BEACH COUNTY, FLORIDA
UNIVERSITY HOUSING REVENUE BOND
(PROVIDENT GROUP – PBAU PROPERTIES II LLC - PALM BEACH ATLANTIC
UNIVERSITY PROJECT), SENIOR SERIES 2025A

Number _____ Principal Amount \$ _____

Interest Rate	Maturity Date	Original Issue Date	CUSIP Number
_____%	____/____/____	____, 2025	____-____-____

Registered Owner:

Palm Beach County, Florida (the "Issuer"), a public body corporate and politic organized under the laws of the State of Florida (the "State"), for value received, hereby promises to pay, but only from the sources as hereinafter provided, to the Registered Owner specified above (the "Owner"), or registered assigns, on the Maturity Date specified above (unless this Series 2025A Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for) upon the presentation and surrender hereof at the to the Trustee, the Principal Amount specified above and in like manner to pay interest on said Principal Amount from time to time remaining unpaid from the Interest Payment Date (hereinafter defined) immediately preceding the date of registration and authentication hereof (unless this Series 2025A Bond is registered and authenticated as of an Interest Payment Date, in which event, this Series 2025A Bond shall bear interest from such Interest Payment Date, or

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The principal of and any premium on this Series 2025A Bond are payable through the Trustee. Interest will be payable on each Interest Payment Date by check or draft mailed to the Owner at his, her, or its address as it appears on the Bond Register at the close of business on the applicable Regular Record Date; provided, that while DTC is the owner of the Series 2025A Bonds, all Debt Service Payments (hereinafter defined) on the Series 2025A Bonds will be paid to DTC or its nominee by wire transfer.

The Series 2025A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. A bond certificate, in the aggregate principal amount of each maturity of the Series 2025A Bonds for each maturity and registered in the name of Cede & Co., as nominee of DTC, is being issued and required to be deposited with DTC (or an authorized banking institution acceptable to DTC) and immobilized in its custody. The book-entry system will evidence ownership of the Series 2025A Bonds in Authorized Denominations (hereinafter defined), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of Debt Service Payments to beneficial owners of the Series 2025A Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Borrower (hereinafter defined) and the Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While DTC or its nominee, Cede & Co., is the Owner of this Series 2025A Bond, notwithstanding the provisions hereinabove contained, Debt Service Payments on this Series 2025A Bond will be made in accordance with the existing arrangements between the Issuer or the Trustee and DTC.

This Series 2025A Bond is one of an authorized series of university housing revenue bonds designated "Palm Beach County Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Senior Series 2025A" (the "Series 2025A Bonds") in the original aggregate principal amount of \$ _____ and issued to finance substantially all of the costs of the design, development, construction, and equipping of a 25 story mixed use building containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility located on the third floor, and a multi-leveled structured parking facility located adjacent to the tower containing approximately 704 parking spaces and related improvements and amenities including the buildings, furniture, fixtures, and equipment therefor to be located on the Palm Beach Atlantic University (the "University") campus in West Palm Beach, Florida, and in Palm Beach County, Florida (the "County") (collectively, the "Series 2025 Project"), to fund interest on the Series 2025A Bonds during the period of construction of the Series 2025 Project, to fund a portion of the Senior Account of the Debt Service Reserve Fund for the Series 2025A Bonds, and to pay a portion of the costs of issuance of the Series 2025 Bonds. The Series 2025 Project will be owned by Provident Group – PBAU Properties II LLC (the "Borrower"), a single member limited liability company organized and existing under the

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unless this Series 2025A Bond is registered and authenticated prior to _____, 20____, in which event, this Series 2025A Bond shall bear interest from _____, 2025, or unless, as shown by the records of the Trustee, interest on the Series 2025A Bonds shall be in default, in which event, this Series 2025A Bond shall bear interest from the date to which interest shall have been paid in full, or unless no interest shall have been paid on the Series 2025A Bonds, in which event, this Series 2025A Bond shall bear interest from _____, 2025), at the Interest Rate specified above, on October 1, 2025, and semiannually thereafter on April 1 and October 1 (each an "Interest Payment Date") of each year until said Principal Amount shall have been paid in full, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. This Series 2025A Bond shall bear interest on overdue principal at the aforesaid rate.

Interest on this Series 2025A Bond is computed on the basis of a 360-day year consisting of twelve 30-day months. Payment of interest on this Series 2025A Bond shall be made to the Owner and shall be paid in lawful money of the United States of America by check or draft mailed to the person in whose name this Series 2025A Bond is registered at his, her, or its address as it appears on the registration books of the Issuer (the "Bond Register") maintained by the Trustee, as bond registrar, on behalf of the Issuer, at the close of business on the fifteenth (15th) day of the month (whether or not a Business Day) immediately preceding each Interest Payment Date (each, a "Regular Record Date"), irrespective of any transfer or exchange of this Series 2025A Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, by the person in whose name this Series 2025A Bond is registered, unless the Issuer shall have failed to pay interest due on such Interest Payment Date. In the event of any such failure, such defaulted interest shall cease to be payable to the Owner on such Regular Record Date, and may be paid to the person in whose name this Series 2025A Bond is registered at the close of business on a Special Record Date (hereinafter defined) for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Issuer to the Owner not less than ten (10) days preceding such Special Record Date which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Such notice shall be mailed, by first class mail, postage prepaid, to the person in whose name this Series 2025A Bond is registered on the Bond Register. At the option of the Owner, if the Owner is the registered owner of not less than Five Hundred Thousand Dollars (\$500,000) in aggregate principal amount outstanding of Series 2025A Bonds, interest shall be paid by wire transfer in immediately available funds in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Regular Record Date. Interest shall 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 shall be paid only upon presentation of this Series 2025A Bond to the Trustee.

Words and terms not otherwise defined herein shall have the meanings ascribed to such terms in Trust Indenture (as now or hereafter amended, supplemented, modified, and/or restated, the "Indenture") dated as of June 1, 2025, between the Issuer and the Trustee and the Loan Agreement dated as of June 1, 2025, between the Issuer and the Borrower.

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laws of the State of Florida. The land on which the Series 2025 Project will be constructed is being leased to the Borrower pursuant to a Ground Lease Agreement (the "Ground Lease") dated as of _____, 1, 2025, between the Palm Beach Atlantic University, Inc., as landlord, and the Borrower, as tenant. Simultaneously with issuance of the Series 2025A Bonds, the Issuer will issue \$ _____ of university housing revenue bonds designated "Palm Beach County Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Subordinate Series 2025B" (the "Series 2025B Bonds," and together with the Series 2025A Bonds, the "Series 2025 Bonds") and issued to fund interest on the Series 2025B Bonds during the period of construction of the Series 2025 Project, to fund a portion of the Senior Account of the Debt Service Reserve Fund for the Series 2025A Bonds, to pay the remaining portion of the costs of issuance of the Series 2025 Bonds. The University initially will manage the Series 2025 Project pursuant to a Residential Management Agreement (the "Residential Management Agreement") by and between the University and the Borrower.

The Series 2025A Bonds and any Additional Senior Bonds issued in accordance with the terms of the Indenture on a parity with the Series 2025A Bonds (collectively, "Additional Senior Bonds") are, except as otherwise expressly provided in the Indenture, parity obligations that rank equally, without privilege, priority, or distinction as to the lien on, or claim of any of such bonds to, the property pledged under the Indenture over any other of such bonds or otherwise of any of such bonds over any other of such bonds.

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to a Loan Agreement (as now or hereafter amended, supplemented, modified, and/or restated, the "Loan Agreement") dated as of June 1, 2025, between the Issuer and the Borrower. The Borrower is obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay (i) the premium, if any, and interest payable on, (ii) the principal payable in respect of, and (iii) all amounts required to be paid in respect of the mandatory sinking fund redemption of (collectively, the "Debt Service Payments"), the Series 2025A Bonds and any Additional Senior Bonds as the same mature and become due. Under the Loan Agreement, it is the obligation of the Borrower to pay all expenses of operating and maintaining the Series 2025 Project in good repair, to keep the Series 2025 Project properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Series 2025 Project. To evidence the obligation to pay loan payments sufficient to pay the Debt Service Payments on the Series 2025A Bonds, the Borrower has executed and delivered to the Issuer its promissory note (the "Series 2025A Note") in the principal amount of \$ _____ dated [_____,] 2025, and to evidence the obligation to pay loan payments sufficient to pay the Debt Service Payments on the Series 2025B Bonds, the Borrower has executed and delivered to the Issuer its promissory note (the "Series 2025B Note," and together with the Series 2025A Note, the "Series 2025 Notes") in the principal amount of \$ _____ dated [_____,] 2025, and the Issuer has endorsed the Series 2025 Notes to the order of the Trustee.

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The obligations of the Borrower under the Loan Agreement, the Series 2025 Notes, and any promissory note or notes executed and delivered by the Borrower in connection with the issuance of, and in an aggregate principal amount equal to the aggregate face amount of, any Additional Bonds (collectively, "Additional Notes") are secured by (i) a Leasehold Mortgage and Assignment of Rents and Leases (as now or hereafter amended, supplemented, modified, and/or restated, the "Leasehold Mortgage") dated as of [____], 2025, by the Borrower in favor of the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances (as defined in the Loan Agreement), granted to the Trustee a first mortgage lien on the Borrower's interest in the Premises and has assigned and pledged to the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the Series 2025 Project, (ii) a Security Agreement (as now or hereafter amended, supplemented, modified, and/or restated, the "Security Agreement") dated as of [____], 2025, between the Borrower and the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances, granted to the Trustee a first priority security interest in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Series 2025 Project, in the Borrower's interest in the inventory located at the Series 2025 Project, and in the equipment, furnishings, and other tangible personal property included in the Series 2025 Project, and (iii) an Assignment of Contracts and Agreements (as now or hereafter amended, supplemented, modified and/or restated, the "Assignment of Contracts and Agreements") dated as of [____], 2025, by the Borrower in favor of the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances, granted to the Trustee a first priority security interest in its rights under the Development Agreement dated [____], 2025, between the Borrower and [____] (the "Developer") pursuant to which the Developer has agreed to develop the Series 2025 Project and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project, together with an assignment of certain other contracts and agreements, including but not limited to the Residential Management Agreement.

The obligations of the Borrower to perform and observe its obligations contained in the Ground Lease, the Loan Agreement, the Series 2025 Notes and the Additional Notes (collectively, the "Notes"), the Leasehold Mortgage, the Security Agreement, the Assignment of Contracts and Agreements, or any other document executed by the Borrower in connection with the issuance of the Series 2025 Bonds are enforceable against the Borrower only to the extent of its interest in the Series 2025 Project and in any other security for the Series 2025 Bonds.

THE SERIES 2025 BONDS SHALL BE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND SHALL BE PAYABLE SOLELY AND ONLY FROM THE AMOUNTS PAID TO THE ISSUER BY THE BORROWER UNDER THE LOAN AGREEMENT AND THE SERIES 2025 NOTES, FROM UNSPENT PROCEEDS OF THE SERIES 2025 BONDS, AND FROM PROPERTY PLEDGED UNDER THE LEASEHOLD MORTGAGE AND THE SECURITY AGREEMENT, AND NEITHER THE SERIES 2025 BONDS NOR THE INTEREST THEREON SHALL CONSTITUTE AN INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF

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This Series 2025A Bond is issued and the Indenture, the Loan Agreement, the Leasehold Mortgage, the Security Agreement, the University Sublease and the Assignment of Contracts and Agreements were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions, and limitations of the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, and other applicable provisions of law, and as the same may be from time to time supplemented and amended (collectively, the "Act").

The Series 2025A Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any \$5,000 amount in addition thereto (each, except as otherwise described in Section 1.01 of the Indenture, an "Authorized Denomination"). Subject to the conditions and upon the payment of charges provided in the Indenture, the owner of any bond or bonds issued under the Indenture may, if not prohibited by law, surrender the same (together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing) in exchange for an equal aggregate principal amount of bonds of the same subseries, interest rate, designation, and maturity or maturities and in any other Authorized Denomination and registered in the name of the same owner. This Series 2025A Bond is transferable as provided in the Indenture by the Owner in person or by the Owner's attorney duly authorized in writing to the Trustee, upon surrender of this Series 2025A Bond accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the Trustee, and upon payment of any shipping, insurance, or governmental charges or taxes incident to such transfer. Upon any such transfer, a new Series 2025A Bond or Series 2025A Bonds in the same aggregate principal amount and of the same subseries, interest rate, and maturity or maturities will be issued to the transferee. The Issuer and the Trustee may deem and treat the person in whose name this Series 2025A Bond is registered as the absolute owner hereof (whether or not this Series 2025A Bond shall be overdue) for the purpose of receiving payment of, or on account of, the Debt Service Payments on this Series 2025A Bond and for all other purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary. While DTC is the Owner of the Series 2025A Bonds, transfers of beneficial ownership thereof will be effected pursuant to DTC's rules and procedures.

Optional Redemption. The Series 2025A Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer upon the written request of the Borrower on and after _____, [20__], in whole or in part on any date at a redemption price equal to one hundred percent (100%) of the principal amount thereof being redeemed plus interest accrued to the redemption date.

Any optional redemption of Series 2025A Bonds will be conditioned upon the Trustee's receipt of funds sufficient to pay the redemption price of the Series 2025A Bonds to be redeemed on or prior to the redemption date.

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THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION, STATUTORY LIMITATION, OR CHARTER PROVISION AND WILL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF ANY OF THEM. THE ISSUANCE OF THE SERIES 2025 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. Neither the members of the Issuer nor any person executing any of the Series 2025 Bonds shall be liable personally on the Series 2025 bonds by reason of the issuance thereof.

Pursuant to the Indenture, as security for the payment of the Debt Service Payments on the Series 2025 Bonds, the Issuer has assigned and pledged to the Trustee, and granted a first priority security interest to the Trustee in all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights), the Notes, and all revenues, payments, receipts, and moneys to be received and held thereunder. IT IS PROVIDED IN THE INDENTURE THAT THE ISSUER MAY HEREAFTER ISSUE ADDITIONAL BONDS FROM TIME TO TIME UNDER CERTAIN TERMS AND CONDITIONS CONTAINED THEREIN, AND IF ISSUED, SUCH ADDITIONAL BONDS WILL RANK ON A PARITY WITH THE SERIES 2025 BONDS. Reference is made to the Indenture and to all indentures supplemental thereto for a description of the property subject to the lien and security interest of the Indenture; the provisions, among others, with respect to the nature and extent of the security for the Series 2025 Bonds; the rights, duties, and obligations of the Issuer, the Trustee, and the owners of the Series 2025 Bonds; the issuance of Additional Bonds; the terms upon which said Additional Bonds may be issued and secured; and the provisions regulating the manner in which the terms of the Indenture, the Loan Agreement, the Series 2025 Notes, the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements may be modified, to all of which provisions the Owner, by the purchase and acceptance of this Series 2025A Bond, on behalf of himself, herself, or itself and his, her, or its successors in interest, assents. Copies of the Indenture are on file with the Trustee.

Reference is also made to the Loan Agreement, the Series 2025 Notes, the Residential Management Agreement, the Leasehold Mortgage, the Security Agreement, the University Sublease, and the Assignment of Contracts and Agreements for a more complete statement of the provisions thereof and of the rights of the Issuer, the Trustee, the Borrower, the University, and the owners of the Series 2025 Bonds. Copies of the Loan Agreement, the Series 2025 Notes, the Leasehold Mortgage, the Security Agreement, the Residential Management Agreement, the University Sublease and the Assignment of Contracts and Agreements are on file with the Trustee. By the purchase and acceptance of this Series 2025A Bond, the Owner, on behalf of himself, herself, or itself and his, her, or its successors in interest, assents to all of the provisions of the aforementioned documents.

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Mandatory Sinking Fund Redemption. The Series 2025A Bonds are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts (the "Mandatory Sinking Fund Redemption Requirement") and on the dates set forth below:

Series 2025A Bonds Maturing on October 1, 20____

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount
			†

†Final Maturity

Series 2025A Bonds Maturing on October 1, 20____

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount
			†

†Final Maturity

Series 2025A Bonds Maturing on October 1, 20____

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount
			†

†Final Maturity

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On or before the forty-fifth (45th) day immediately preceding any October 1 on which Series 2025A Bonds are to be retired pursuant to the applicable Mandatory Sinking Fund Redemption Requirement, the Borrower may (i) deliver to the Trustee for cancellation, Series 2025A Bonds of the applicable maturity in any aggregate principal amount desired or (ii) receive a credit with respect to the applicable Mandatory Sinking Fund Redemption Requirement for any such Series 2025A Bonds that before said date have been purchased or redeemed (other than through mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such Mandatory Sinking Fund Redemption Requirement. Each such Series 2025A Bond so delivered or previously purchased or redeemed and cancelled by the Trustee will be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the Mandatory Sinking Fund Redemption Requirement for the Series 2025A Bonds of the applicable maturity on such mandatory sinking fund redemption date, and any excess over such amount will be credited against future applicable Mandatory Sinking Fund Redemption Requirements for the Series 2025A Bonds in such order as may be selected by the Borrower or, in the absence of such selection, in chronological order, and the applicable Mandatory Sinking Fund Redemption Requirements for such Series 2025A Bonds will be accordingly reduced.

The Issuer, at the request of the Borrower, or the Borrower will be required, on or before the forty-fifth (45th) day immediately preceding each such mandatory sinking fund redemption date for Series 2025A Bonds, to furnish the Trustee with its certificate indicating whether and to what extent the provisions of clauses (i) and (ii) in the preceding paragraph are to be availed of with respect to such Mandatory Sinking Fund Redemption Requirement.

Extraordinary Optional Redemption. The Series 2025 Bonds are also subject to redemption at the option of the Issuer upon the written request of the Borrower, in whole if:

(i) the Series 2025 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot reasonably be restored within a period of twelve (12) months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of insurance payable in respect of such destruction or damage; or

(ii) title to, or the temporary use of, a substantial portion of the Series 2025 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot be reasonably restored or replaced within a period of twelve (12) months to substantially the condition thereof

immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking.

The Series 2025 Bonds are also subject to redemption at the option of the Issuer upon the written request of the Borrower, in part in the event of partial condemnation or destruction of, or partial damage to, or in the event of a title event resulting in a title insurance payment relating to the Series 2025 Project, from the net proceeds received by the Borrower as a result of such taking, destruction, or damage or title event to the extent such net proceeds are not used for the restoration of the Series 2025 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2025 Project as such operations were conducted prior to such taking, destruction, or damage or title event if the Borrower furnishes to the Trustee and the Issuer (i) a certificate of an Independent Engineer stating (A) that the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged or suffered a title event is not essential to the Borrower's use or occupancy of the Series 2025 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage, or title event, or (B) that the Series 2025 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage, or title event or (C) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged, or title event, or (ii) a written report of a Financial Consultant filed with the Trustee and the Issuer that the Fixed Charges Coverage Ratio (as defined in the Indenture) for each of the two (2) Annual Periods following the Annual Period following such taking, destruction, or damage or suffered a title event will not be less than the lesser of (a) 1.25 and (b) the average Fixed Charges Coverage Ratio for the two (2) most recent Annual Periods prior to such taking, destruction, or damage, or title event for which audited financial statements are available.

If the Series 2025 Bonds are called for redemption upon the occurrence of any of the events described in the two immediately preceding paragraphs, the Series 2025 Bonds may be redeemed on any date for which the requisite notice of redemption can be given within one hundred eighty (180) days of such event at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date.

Subject to the provisions of the Indenture and this Series 2025A Bond described below under the heading "Selection of Series 2025A Bonds to Be Redeemed," "DTC Procedures," and "Redemption of a Portion of a Series 2025A Bond," any redemption of less than all of the Series 2025 Bonds pursuant to the provisions of this heading will be applied shall be applied first to redeem the Senior Bonds until the Senior Bonds are no longer outstanding, then to redeem the Subordinate Bonds.

Selection of Series 2025A Bonds to Be Redeemed. If any Series 2025A Bonds are to be called for redemption (other than through mandatory sinking fund redemption), the Borrower

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will be permitted to select the maturity of Series 2025A Bonds to be redeemed. Subject to the provisions described below under the heading "Redemption of a Portion of a Series 2025A Bond," if less than all of the Series 2025A Bonds of any maturity shall be called for redemption (other than through mandatory sinking fund redemption), the Trustee will select the particular Series 2025A Bonds of such maturity to be redeemed by lot. Notwithstanding the foregoing, but subject to the final sentence of this paragraph, the Borrower will have the right to designate the maturity of such Series 2025A Bonds to be called for redemption and to designate the Mandatory Sinking Fund Redemption Requirement to which such redemption will be credited. Notwithstanding anything contained in the Indenture to the contrary, if Series 2025 Bonds are to be redeemed prior to their maturity (other than through mandatory sinking fund redemption), Series 2025B Bonds will be redeemed prior to any Series 2025A Bonds.

DTC Procedures. While DTC is the Owner of the Series 2025A Bonds, partial redemptions of the Series 2025A Bonds will be determined in accordance with DTC's rules and procedures. The Issuer intends that redemption allocations made by DTC, brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such brokers, dealers, banks, trust companies, clearing corporations, and other organizations (the "DTC Participants"), or such other intermediaries that may exist between the Issuer and the holders of beneficial ownership interests in the Series 2025A Bonds (the "Beneficial Owners") be made in accordance with the method of selection of Series 2025A Bonds for a partial redemption described herein. However, the selection of the Series 2025A Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption.

Notice of Redemption. In the event any Series 2025A Bonds are called for redemption, notice thereof identifying the Series 2025A Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the owner of each Series 2025A Bond to be redeemed in whole or in part at the address shown on the Bond Register at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any owner of Series 2025A Bonds, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2025A Bonds for which notice shall have been properly given. Each notice will specify the CUSIP numbers of the Series 2025A Bonds being called; the numbers of the Series 2025A Bonds being called, if less than all of the Series 2025A Bonds are being called; the redemption date; the redemption price; and the place or places where amounts due upon such redemption will be payable. Such notice will further state that payment of the applicable redemption price will be made upon presentation and surrender of the Series 2025A Bonds to be redeemed and that on the redemption date, the redemption price will become due and payable upon each Series 2025A 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 2025A Bonds to be redeemed are on deposit with the Trustee at the place of, and the time for,

payment. Any such notice mailed as herein described will be conclusively presumed to have been duly given, whether or not the owner of such Series 2025A Bonds actually receives such notice.

Any notice of redemption may, at the direction of the Issuer upon the written request of the Borrower, (i) state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient and legally available funds to pay the redemption price of the Series 2025A Bonds to be redeemed and/or (ii) that the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date and that if such funds shall not be so received or shall not be so legally available or if the notice shall be rescinded, such notice will be of no force or effect and such Series 2025A Bonds will not be required to be redeemed. In the event that such notice shall contain such condition(s) and sufficient legally available funds to pay the redemption price of such Series 2025A Bonds shall not be received by the Trustee on or prior to the redemption date or if the notice shall be rescinded on or prior to the redemption date, the redemption will not be made and the Trustee will, within a reasonable time thereafter, give notice, in the manner in which the notice of redemption shall have been given, that such funds were not so received.

Redemption of a Portion of a Series 2025A Bond. No redemption of less than all of the Series 2025A Bonds may be made unless all Series 2025A Bonds remaining Outstanding after such redemption are of an Authorized Denomination. If a Series 2025A Bond is of an Authorized Denomination larger than the minimum Authorized Denomination, a portion of such Series 2025A Bond may be redeemed, but such Series 2025A Bond will be redeemed in part only in an Authorized Denomination and only if the unredeemed portion thereof is an Authorized Denomination.

If a portion of an Outstanding Series 2025A Bond shall be selected for redemption, the owner thereof or his, her, or its attorney or legal representative will be required to present and surrender such Series 2025A Bond to the Trustee for payment of the redemption price of such Series 2025A Bond, and the Issuer will cause to be executed and the Trustee will authenticate and deliver to or upon the order of such owner or his, her, or its legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Series 2025A Bond so surrendered, a Series 2025A Bond or Series 2025A Bonds of the same form and maturity and of any Authorized Denominations; provided, however, that if the owner is a securities depository nominee, the securities depository, in its discretion, (a) will be permitted to surrender such Series 2025A Bond to the Trustee and request that the Issuer cause to be executed and the Trustee authenticate and deliver a new Series 2025A Bond for the unredeemed portion of the principal amount of the Series 2025A Bond so surrendered or (b) will be required to make an appropriate notation on such Series 2025A Bond indicating the dates and amounts of such reduction in principal.

In all instances where the Trustee is directed by the terms of the Indenture to redeem Series 2025A Bonds from moneys deposited into the Redemption Fund, the Trustee will redeem

the maximum number of Series 2025A Bonds that may be redeemed in accordance with the applicable provisions hereof, and any excess moneys will remain in the Redemption Fund.

The Owner will have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture and except that the Owner may institute action to enforce the payment of the principal of or the interest on his, her, or its Series 2025A Bond.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all Series 2025A Bonds then outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Indenture or any indenture supplemental thereto or the Loan Agreement or any agreement amendatory thereof or supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture or the Loan Agreement.

This Series 2025A Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Indenture, at all times will be and will be understood to be an investment security within the meaning of and for all of the purposes of Article 8 of the Uniform Commercial Code of Florida. This Series 2025A Bond is issued with the intent that the laws of the State of Florida will govern its construction.

All references to times of the day shall, unless otherwise stated, be deemed to be references to Eastern Time (daylight or standard, as applicable).

Neither the members or officers of the Issuer nor any person executing this Series 2025A Bond is liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in connection with the issuance of this Series 2025A Bond do exist, have happened, and have been performed in due time, form, and manner as required by law in order to make this Series 2025A Bond a valid and legal revenue obligation of the Issuer and that the issuance of the Series 2025A Bonds, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation applicable to the Issuer.

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IN WITNESS WHEREOF, Palm Beach County, Florida has caused this Series 2025A Bond to be executed by its Mayor by manual or facsimile signature, has caused its official seal to be impressed or reproduced hereon, and has caused this Series 2025A Bond to be attested by its Clerk by manual or facsimile signature, all as of _____, 2025.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

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This Series 2025A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2025A Bond is one of the bonds of the subseries described in the within mentioned Indenture.

HANCOCK WHITNEY BANK, as Trustee

By _____
Authorized Signatory

Date of Authentication and Registration:

_____, 2025.

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ASSIGNMENT

The following abbreviations, when used in the inscription on this bond or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common and not as community property
UNIF TRANS MIN ACT	-	(Custodian) (Minor) under Uniform Transfer to Minors Act (State)

Additional abbreviations may be used although not in the above list.

FOR VALUE RECEIVED, the undersigned, _____ hereby sells, assigns, and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: The signature to this Assignment must be guaranteed by an institution that is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

(PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE)

[END OF FORM OF SERIES 2025A BOND]

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EXHIBIT J

FORM OF SERIES 2025B BOND

UNLESS THIS SERIES 2025B BOND (HEREINAFTER DEFINED) IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO HANCOCK WHITNEY BANK, (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, THE "TRUSTEE") FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SERIES 2025B BOND IS SUBORDINATE TO ALL OF THE SERIES 2025A BONDS REFERRED TO HEREIN TO THE EXTENT DESCRIBED IN THE TRUST INDENTURE REFERRED TO HEREIN.

This Series 2025B Bond is subject to the Issuer's requirement that any Owner hereof be a "qualified institutional buyer" as defined in Section 207 of the Indenture.

PALM BEACH COUNTY, FLORIDA
UNIVERSITY HOUSING REVENUE BOND
(PROVIDENT GROUP – PBAU PROPERTIES II LLC - PALM BEACH ATLANTIC
UNIVERSITY PROJECT),
SUBORDINATE SERIES 2025B

Number _____ Principal Amount \$ _____

Interest Rate	Maturity Date	Original Issue Date	CUSIP Number
_____%	_____, 1, _____	_____, 2025	_____

Registered Owner: Cede & Co.

Palm Beach County, Florida (the "Issuer"), a public body corporate and politic organized under the laws of the State of Florida (the "State"), for value received, hereby promises to pay, but only from the sources as hereinafter provided, to the Registered Owner specified above (the "Owner"), or registered assigns, on the Maturity Date specified above (unless this Series 2025B Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for) upon the presentation and surrender hereof to the Trustee, the

Principal Amount specified above and in like manner to pay interest on said Principal Amount from time to time remaining unpaid from the Interest Payment Date (hereinafter defined) immediately preceding the date of registration and authentication hereof (unless this Series 2025B Bond is registered and authenticated as of an Interest Payment Date, in which event, this Series 2025B Bond shall bear interest from such Interest Payment Date, or unless this Series 2025B Bond is registered and authenticated prior to _____, 2025, in which event, this Series 2025B Bond shall bear interest from _____, 2025, or unless, as shown by the records of the Trustee, interest on the Series 2025B Bonds shall be in default, in which event, this Series 2025B Bond shall bear interest from the date to which interest shall have been paid in full, or unless no interest shall have been paid on the Series 2025B Bonds, in which event, this Series 2025B Bond shall bear interest from _____, 2025), at the Interest Rate specified above, on October 1, 2025, and semiannually thereafter on April 1 and October 1 (each an "Interest Payment Date") of each year until said Principal Amount shall have been paid in full, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. This Series 2025B Bond shall bear interest on overdue principal at the aforesaid rate.

Interest on this Series 2025B Bond is computed on the basis of a 360-day year consisting of twelve 30-day months. Payment of interest on this Series 2025B Bond shall be made to the Owner and shall be paid in lawful money of the United States of America by check or draft mailed to the person in whose name this Series 2025B Bond is registered at his, her, or its address as it appears on the registration books of the Issuer (the "Bond Register") maintained by the Trustee, as bond registrar, on behalf of the Issuer, at the close of business on the fifteenth (15th) day of the month (whether or not a Business Day) immediately preceding each Interest Payment Date (each, a "Regular Record Date"), irrespective of any transfer or exchange of this Series 2025B Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, by the person in whose name this Series 2025B Bond is registered, unless the Issuer shall have failed to pay interest due on such Interest Payment Date. In the event of any such failure, such defaulted interest shall cease to be payable to the Owner on such Regular Record Date, and may be paid to the person in whose name this Series 2025B Bond is registered at the close of business on a Special Record Date (hereinafter defined) for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Issuer to the Owner not less than ten (10) days preceding such Special Record Date which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Such notice shall be mailed, by first class mail, postage prepaid, to the person in whose name this Series 2025B Bond is registered on the Bond Register. At the option of the Owner, if the Owner is the registered owner of not less than Five Hundred Thousand Dollars (\$500,000) in aggregate principal amount outstanding of Series 2025B Bonds, interest shall be paid by wire transfer in immediately available funds in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Regular Record Date. Interest shall 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 shall be paid only upon presentation of this Series 2025B Bond to the Trustee.

Words and terms not otherwise defined herein shall have the meanings ascribed to such terms in Trust Indenture (as now or hereafter amended, supplemented, modified, and/or restated, the "Indenture") dated as of May 1, 2025, between the Issuer and the Trustee and the Loan Agreement dated as of May 1, 2025, between the Issuer and the Borrower.

The principal of and any premium on this Series 2025B Bond are payable through the Trustee. Interest will be payable on each Interest Payment Date by check or draft mailed to the Owner at his, her, or its address as it appears on the Bond Register at the close of business on the applicable Regular Record Date; provided, that while DTC is the owner of the Series 2025B Bonds, all Debt Service Payments (hereinafter defined) on the Series 2025B Bonds will be paid to DTC or its nominee by wire transfer.

The Series 2025B Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. A bond certificate, in the aggregate principal amount of each maturity of the Series 2025B Bonds for each maturity and registered in the name of Cede & Co., as nominee of DTC, is being issued and required to be deposited with DTC (or an authorized banking institution acceptable to DTC) and immobilized in its custody. The book-entry system will evidence ownership of the Series 2025B Bonds in Authorized Denominations (hereinafter defined), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of Debt Service Payments to beneficial owners of the Series 2025B Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Borrower (hereinafter defined) and the Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While DTC or its nominee, Cede & Co., is the Owner of this Series 2025B Bond, notwithstanding the provisions hereinabove contained, Debt Service Payments on this Series 2025B Bond will be made in accordance with the existing arrangements between the Issuer or the Trustee and DTC.

This Series 2025B Bond is one of an authorized series of university housing revenue bonds designated "Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Subordinate Series 2025B" (the "Series 2025B Bonds") in the original aggregate principal amount of \$_____. The proceeds of the Series 2025B Bonds will be used to fund interest on the Series 2025B Bonds during the period of construction of the Series 2025 Project, to fund a portion of the Senior Account of the Debt Service Reserve Fund for the Series 2025A Bonds, to pay a portion of the costs of issuance of the Series 2025 Bonds. Simultaneously with issuance of the Series 2025B Bonds, the Issuer will issue \$_____ of university housing revenue bonds designated "Palm Beach County Revenue Bonds (Provident Group – PBAU Properties II LLC - Palm Beach Atlantic University Project), Senior Series 2025A" (the "Series 2025A Bonds," and together with the Series 2025B Bonds, the "Series 2025 Bonds"). The Series 2025A Bonds are senior in right and time of payment to the Series 2025B Bonds. The proceeds of the Series 2025 Bonds will be used

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Agreement, it is the obligation of the Borrower to pay all expenses of operating and maintaining the Series 2025 Project in good repair, to keep the Series 2025 Project properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Series 2025 Project. To evidence the obligation to pay loan payments sufficient to pay the Debt Service Payments on the Series 2025A Bonds, the Borrower has executed and delivered to the Issuer its promissory note (the "Series 2025A Note") in the principal amount of \$_____ dated [_____] 2025, and to evidence the obligation to pay loan payments sufficient to pay the Debt Service Payments on the Series 2025B Bonds, the Borrower has executed and delivered to the Issuer its promissory note (the "Series 2025B Note," and together with the Series 2025A Note, the "Series 2025 Notes") in the principal amount of \$_____ dated [_____] 2025, and the Issuer has endorsed the Series 2025 Notes to the order of the Trustee.

The obligations of the Borrower under the Loan Agreement, the Series 2025 Notes, and any promissory note or notes executed and delivered by the Borrower in connection with the issuance of, and in an aggregate principal amount equal to the aggregate face amount of, any Additional Bonds (collectively, "Additional Notes") are secured by (i) a Leasehold Mortgage and Assignment of Rents and Leases (as now or hereafter amended, supplemented, modified, and/or restated, the "Leasehold Mortgage") dated as of [_____] 2025, by the Borrower in favor of the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances (as defined in the Loan Agreement), granted to the Trustee a first mortgage lien on the Borrower's interest in the Premises and has assigned and pledged to the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the Series 2025 Project, (ii) a Security Agreement (as now or hereafter amended, supplemented, modified, and/or restated, the "Security Agreement") dated as of [_____] 2025, between the Borrower and the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances, granted to the Trustee a first priority security interest in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership or operation of the Series 2025 Project, in the Borrower's interest in the inventory located at the Series 2025 Project, and in the equipment, furnishings, and other tangible personal property included in the Series 2025 Project, and (iii) an Assignment of Contracts and Agreements (as now or hereafter amended, supplemented, modified and/or restated, the "Assignment of Contracts and Agreements") dated as of [_____] 2025, by the Borrower in favor of the Trustee pursuant to which the Borrower has, subject to Permitted Encumbrances, granted to the Trustee a first priority security interest in its rights under the Development Agreement dated [_____] 2025, between the Borrower and [_____] (the "Developer") pursuant to which the Developer has agreed to develop the Series 2025 Project and all other contracts and agreements relating to the development, design, or construction of the Series 2025 Project, together with an assignment of certain other contracts and agreements, including but not limited to the Residential Management Agreement.

THE OBLIGATIONS OF THE BORROWER TO PERFORM AND OBSERVE ITS OBLIGATIONS CONTAINED IN THE GROUND LEASE, THE LOAN AGREEMENT, THE

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to finance substantially all of the costs of the design, development, construction, and equipping of a 25 story mixed use building containing 22 floors of student housing with approximately 990 beds, a two floor, approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility located on the third floor, and a multi-levelled structured parking facility located adjacent to the tower containing approximately 704 parking spaces and related improvements and amenities including the buildings, furniture, fixtures, and equipment therefor to be located on the Palm Beach Atlantic University (the "University") campus in West Palm Beach, Florida, and in Palm Beach County, Florida (the "County") (collectively, the "Series 2025 Project"), to pay a portion of the costs of issuance of the Series 2025 Bonds (hereinafter defined), to fund interest on the Series 2025A Bonds during the period of construction of the Series 2025 Project, to fund a portion of the Senior Account of the Debt Service Reserve Fund for the Series 2025A Bonds, and to pay a portion of the costs of issuance of the Series 2025 Bonds. The Series 2025 Project will be owned by Provident Group – PBAU Properties II LLC (the "Borrower"), a single member limited liability company organized and existing under the laws of the State of Florida. The land on which the Series 2025 Project will be constructed is being leased to the Borrower pursuant to a Ground Lease Agreement (the "Ground Lease") dated as of [_____] 1, 2025, between Palm Beach Atlantic University, Inc., as landlord, and the Borrower, as tenant. The University will initially manage the Series 2025 Project pursuant to a Residential Management Agreement (the "Residential Management Agreement") by and between the University and the Borrower.

THE SERIES 2025B BONDS ARE SUBORDINATE TO THE SERIES 2025A BONDS IN PAYMENT AND SECURITY. So long as any Series 2025A Bonds are Outstanding, the Series 2025A Bonds shall have the sole right to consent to or direct certain actions of the Trustee under the Indenture, including actions in event of default. Amounts on deposit in the 2025 Senior Account of the Debt Service Reserve Fund and certain other Funds are not available to pay the principal and interest of any of the Series 2025B Bonds.

The Series 2025 Bonds and any additional bonds issued in accordance with the terms of the Indenture on a parity with the Series 2025 Bonds (collectively, "Additional Bonds") are, except as otherwise expressly provided in the Indenture, parity obligations that rank equally, without privilege, priority, or distinction as to the lien on, or claim of any of such bonds to, the property pledged under the Indenture over any other of such bonds or otherwise of any of such bonds over any other of such bonds.

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to a Loan Agreement (as now or hereafter amended, supplemented, modified, and/or restated, the "Loan Agreement") dated as of June 1, 2025, between the Issuer and the Borrower. The Borrower is obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay (i) the premium, if any, and interest payable on, (ii) the principal payable in respect of, and (iii) all amounts required to be paid in respect of the mandatory sinking fund redemption of (collectively, the "Debt Service Payments"), the Series 2025 Bonds and any Additional Bonds as the same mature and become due. Under the Loan

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SERIES 2025 NOTES AND THE ADDITIONAL NOTES (COLLECTIVELY, THE "NOTES"), THE LEASEHOLD MORTGAGE, THE SECURITY AGREEMENT, THE ASSIGNMENT OF CONTRACTS AND AGREEMENTS, OR ANY OTHER DOCUMENT EXECUTED BY THE BORROWER IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2025 BONDS ARE ENFORCEABLE AGAINST THE BORROWER ONLY TO THE EXTENT OF ITS INTEREST IN THE SERIES 2025 PROJECT AND IN ANY OTHER SECURITY FOR THE SERIES 2025 BONDS.

THE SERIES 2025 BONDS SHALL BE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND SHALL BE PAYABLE SOLELY AND ONLY FROM THE AMOUNTS PAID TO THE ISSUER BY THE BORROWER UNDER THE LOAN AGREEMENT AND THE SERIES 2025 NOTES, FROM UNSPENT PROCEEDS OF THE SERIES 2025 BONDS, AND FROM PROPERTY PLEDGED UNDER THE LEASEHOLD MORTGAGE AND THE SECURITY AGREEMENT, AND NEITHER THE SERIES 2025 BONDS NOR THE INTEREST THEREON SHALL CONSTITUTE AN INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION, STATUTORY LIMITATION, OR CHARTER PROVISION AND WILL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF ANY OF THEM. THE ISSUANCE OF THE SERIES 2025 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. Neither the members of the Issuer nor any person executing any of the Series 2025 Bonds shall be liable personally on the Series 2025 bonds by reason of the issuance thereof.

Pursuant to the Indenture, as security for the payment of the Debt Service Payments on the Series 2025 Bonds, the Issuer has assigned and pledged to the Trustee, and granted a first priority security interest to the Trustee in all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights), the Notes, and all revenues, payments, receipts, and moneys to be received and held thereunder. IT IS PROVIDED IN THE INDENTURE THAT THE ISSUER MAY HEREAFTER ISSUE ADDITIONAL BONDS FROM TIME TO TIME UNDER CERTAIN TERMS AND CONDITIONS CONTAINED THEREIN, AND IF ISSUED, SUCH ADDITIONAL BONDS WILL RANK ON A PARITY WITH THE SERIES 2025 BONDS. Reference is made to the Indenture and to all indentures supplemental thereto for a description of the property subject to the lien and security interest of the Indenture; the provisions, among others, with respect to the nature and extent of the security for the Series 2025 Bonds; the rights, duties, and obligations of the Issuer, the Trustee, and the owners of the Series 2025 Bonds; the issuance of Additional Bonds; the terms upon which said Additional Bonds may be issued and secured; and the provisions regulating the manner in which the terms of the Indenture, the Loan Agreement, the Series 2025 Notes, the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements may be modified, to all of which provisions the

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Owner, by the purchase and acceptance of this Series 2025B Bond, on behalf of himself, herself, or itself and his, her, or its successors in interest, assents. Copies of the Indenture are on file with the Trustee.

Reference is also made to the Loan Agreement, the Series 2025 Notes, the Residential Management Agreement, the University Sublease, the Leasehold Mortgage, the Security Agreement, and the Assignment of Contracts and Agreements for a more complete statement of the provisions thereof and of the rights of the Issuer, the Trustee, the Borrower, the University, and the owners of the Series 2025 Bonds. Copies of the Loan Agreement, the Series 2025 Notes, the Leasehold Mortgage, the Security Agreement, the Residential Management Agreement, the University Sublease and the Assignment of Contracts and Agreements are on file with the Trustee. By the purchase and acceptance of this Series 2025B Bond, the Owner, on behalf of himself, herself, or itself and his, her, or its successors in interest, assents to all of the provisions of the aforementioned documents.

This Series 2025B Bond is issued and the Indenture, the Loan Agreement, the Leasehold Mortgage, the Security Agreement, the University Sublease and the Assignment of Contracts and Agreements were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions, and limitations of the Constitution of the State, Chapter 159, Parts II and III, Florida Statutes, and other applicable provisions of law, and as the same may be from time to time supplemented and amended (collectively, the "Act").

The Series 2025B Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of One Hundred Thousand Dollars (\$100,000) or any \$5,000 amount in addition thereto, except as described in Section 1.01 of the Indenture (each, except as otherwise described in Section 1.01 of the Indenture, an "Authorized Denomination"). Subject to the conditions and upon the payment of charges provided in the Indenture, the owner of any bond or bonds issued under the Indenture may, if not prohibited by law, surrender the same (together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the owner or his, her, or its attorney-in-fact or legal representative duly authorized in writing) in exchange for an equal aggregate principal amount of bonds of the same subseries, interest rate, designation, and maturity or maturities and in any other Authorized Denomination and registered in the name of the same owner. This Series 2025B Bond is transferable as provided in the Indenture by the Owner in person or by the Owner's attorney duly authorized in writing at the Office of the Trustee, upon surrender of this Series 2025B Bond accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the Trustee, and upon payment of any shipping, insurance, or governmental charges or taxes incident to such transfer. Upon any such transfer, a new Series 2025B Bond or Series 2025B Bonds in the same aggregate principal amount and of the same subseries, interest rate, and maturity or maturities will be issued to the transferee. The Issuer and the Trustee may deem and treat the person in whose name this Series 2025B Bond is registered as the absolute owner hereof (whether or not this Series 2025B Bond shall be

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what extent the provisions of clauses (i) and (ii) in the preceding paragraph are to be availed of with respect to such Mandatory Sinking Fund Redemption Requirement.

Extraordinary Optional Redemption. The Series 2025 Bonds are also subject to redemption at the option of the Issuer upon the written request of the Borrower, in whole if:

(i) the Series 2025 Project shall have been destroyed or damaged to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot reasonably be restored within a period of twelve (12) months to the condition thereof immediately preceding such destruction or damage, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of insurance payable in respect of such destruction or damage; or

(ii) title to, or the temporary use of, a substantial portion of the Series 2025 Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or Person acting under governmental authority to such an extent that, in the opinion of an Independent Engineer expressed in a certificate filed with the Trustee and the Issuer, (A) the Series 2025 Project cannot be reasonably restored or replaced within a period of twelve (12) months to substantially the condition thereof immediately preceding such taking, or (B) the Borrower will thereby be prevented from carrying on its normal operations thereat for a period of not less than twelve (12) consecutive months, or (C) the cost of restoration or replacement thereof would exceed the total amount of compensation for such taking.

The Series 2025 Bonds are also subject to redemption at the option of the Issuer upon the written request of the Borrower, in part in the event of partial condemnation or destruction of, or partial damage to, or in the event of a title event resulting in a title insurance payment relating to the Series 2025 Project, from the net proceeds received by the Borrower as a result of such taking, destruction, or damage or title event to the extent such net proceeds are not used for the restoration of the Series 2025 Project or for the acquisition of substitute property suitable for the Borrower's operations at the Series 2025 Project as such operations were conducted prior to such taking, destruction, or damage or title event if the Borrower furnishes to the Trustee and the Issuer (i) a certificate of an Independent Engineer stating (A) that the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged or suffered a title event is not essential to the Borrower's use or occupancy of the Series 2025 Project at substantially the same revenue-producing level as prior to such taking, destruction, or damage, or title event, or (B) that the Series 2025 Project has been restored to a condition substantially equivalent to its condition prior to such taking, destruction, or damage, or title event or (C) that the Borrower has acquired suitable land and improvements that are substantially equivalent to the property forming a part of the Series 2025 Project that was taken, destroyed, or damaged, or title event, or (ii) a written report of a Financial Consultant filed with the Trustee and the Issuer that the Fixed

overdue) for the purpose of receiving payment of, or on account of, the Debt Service Payments on this Series 2025B Bond and for all other purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary. While DTC is the Owner of the Series 2025B Bonds, transfers of beneficial ownership thereof will be effected pursuant to DTC's rules and procedures.

Mandatory Sinking Fund Redemption. The Series 2025B Bonds are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts (the "Mandatory Sinking Fund Redemption Requirement") and on the dates set forth below:

October 1 of the Year	Principal Amount	October 1 of the Year	Principal Amount
			†

†Final Maturity

On or before the forty-fifth (45th) day immediately preceding any October 1 on which Series 2025B Bonds are to be retired pursuant to the applicable Mandatory Sinking Fund Redemption Requirement, the Borrower may (i) deliver to the Trustee for cancellation, Series 2025B Bonds of the applicable maturity in any aggregate principal amount desired or (ii) receive a credit with respect to the applicable Mandatory Sinking Fund Redemption Requirement for any such Series 2025B Bonds that before said date have been purchased or redeemed (other than through mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such Mandatory Sinking Fund Redemption Requirement. Each such Series 2025B Bond so delivered or previously purchased or redeemed and cancelled by the Trustee will be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the Mandatory Sinking Fund Redemption Requirement for the Series 2025B Bonds of the applicable maturity on such mandatory sinking fund redemption date, and any excess over such amount will be credited against future applicable Mandatory Sinking Fund Redemption Requirements for the Series 2025B Bonds in such order as may be selected by the Borrower or, in the absence of such selection, in chronological order, and the applicable Mandatory Sinking Fund Redemption Requirements for such Series 2025B Bonds will be accordingly reduced.

The Issuer, at the request of the Borrower, or the Borrower will be required, on or before the forty-fifth (45th) day immediately preceding each such mandatory sinking fund redemption date for Series 2025B Bonds, to furnish the Trustee with its certificate indicating whether and to

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Charges Coverage Ratio (as defined in the Indenture) for each of the two (2) Annual Periods following the Annual Period following such taking, destruction, or damage or suffered a title event will not be less than the lesser of (a) 1.25 and (b) the average Fixed Charges Coverage Ratio for the two (2) most recent Annual Periods prior to such taking, destruction, or damage, or title event for which audited financial statements are available.

If the Series 2025 Bonds are called for redemption upon the occurrence of any of the events described in the two immediately preceding paragraphs, the Series 2025 Bonds may be redeemed on any date for which the requisite notice of redemption can be given within one hundred eighty (180) days of such event at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date and proceeds shall be applied first to redeem the Senior Bonds until the Senior Bonds are no longer outstanding, then to redeem the Subordinate Bonds.

Subject to the provisions of the Indenture and this Series 2025B Bond described below under the heading "Selection of Series 2025B Bonds to Be Redeemed," "DTC Procedures," and "Redemption of a Portion of a Series 2025B Bond," any redemption of less than all of the Series 2025 Bonds pursuant to the provisions of this heading will be applied against the such series on a *pro rata* basis.

DTC Procedures. While DTC is the Owner of the Series 2025B Bonds, partial redemptions of the Series 2025B Bonds will be determined in accordance with DTC's procedures. The Issuer intends that redemption allocations made by DTC; brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such brokers, dealers, banks, trust companies, clearing corporations, and other organizations (the "DTC Participants"), or such other intermediaries that may exist between the Issuer and the holders of beneficial ownership interests in the Series 2025B Bonds (the "Beneficial Owners") be made in accordance with the method of selection of Series 2025B Bonds for a partial redemption described herein. However, the selection of the Series 2025B Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption.

Notice of Redemption. In the event any Series 2025B Bonds are called for redemption, notice thereof identifying the Series 2025B Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the owner of each Series 2025B Bond to be redeemed in whole or in part at the address shown on the Bond Register at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any owner of Series 2025B Bonds, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2025B Bonds for which notice shall have been properly given. Each notice will specify the CUSIP numbers of the Series 2025B Bonds being called; the numbers

of the Series 2025B Bonds being called, if less than all of the Series 2025B Bonds are being called; the redemption date; the redemption price; and the place or places where amounts due upon such redemption will be payable. Such notice will further state that payment of the applicable redemption price will be made upon presentation and surrender of the Series 2025B Bonds to be redeemed and that on the redemption date, the redemption price will become due and payable upon each Series 2025B 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 2025B Bonds to be redeemed are on deposit with the Trustee at the place of, and the time for, payment. Any such notice mailed as herein described will be conclusively presumed to have been duly given, whether or not the owner of such Series 2025B Bonds actually receives such notice.

Any notice of redemption may, at the direction of the Issuer upon the written request of the Borrower, (i) state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient and legally available funds to pay the redemption price of the Series 2025B Bonds to be redeemed and/or (ii) that the Borrower retains the right to rescind such notice on or prior to the scheduled redemption date and that if such funds shall not be so received or shall not be so legally available or if the notice shall be rescinded, such notice will be of no force or effect and such Series 2025B Bonds will not be required to be redeemed. In the event that such notice shall contain such condition(s) and sufficient legally available funds to pay the redemption price of such Series 2025B Bonds shall not be received by the Trustee on or prior to the redemption date or if the notice shall be rescinded on or prior to the redemption date, the redemption will not be made and the Trustee will, within a reasonable time thereafter, give notice, in the manner in which the notice of redemption shall have been given, that such funds were not so received.

Redemption of a Portion of a Series 2025B Bond. No redemption of less than all of the Series 2025B Bonds may be made unless all Series 2025B Bonds remaining Outstanding after such redemption are of an Authorized Denomination. If a Series 2025B Bond is of an Authorized Denomination larger than the minimum Authorized Denomination, a portion of such Series 2025B Bond may be redeemed, but such Series 2025B Bond will be redeemed in part only in an Authorized Denomination and only if the unredeemed portion thereof is an Authorized Denomination.

If a portion of an Outstanding Series 2025B Bond shall be selected for redemption, the owner thereof or his, her, or its attorney or legal representative will be required to present and surrender such Series 2025B Bond to the Trustee for payment of the redemption price of such Series 2025B Bond, and the Issuer will cause to be executed and the Trustee will authenticate and deliver to or upon the order of such owner or his, her, or its legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Series 2025B Bond so surrendered, a Series 2025B Bond or Series 2025B Bonds of the same form and maturity and of any Authorized Denominations; provided, however, that if the owner is a securities depository nominee, the securities depository, in its discretion, (a) will be permitted to surrender such Series 2025B Bond to the Trustee and request that the Issuer cause to be executed and the

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Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all Series 2025B Bonds then outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Indenture or any indenture supplemental thereto or the Loan Agreement or any agreement amendatory thereof or supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture or the Loan Agreement.

This Series 2025B Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Indenture, at all times will be and will be understood to be an investment security within the meaning of and for all of the purposes of Article 8 of the Uniform Commercial Code of Florida. This Series 2025B Bond is issued with the intent that the laws of the State of Florida will govern its construction.

All references to times of the day shall, unless otherwise stated, be deemed to be references to Eastern Time (daylight or standard, as applicable).

Neither the members or officers of the Issuer nor any person executing this Series 2025B Bond is liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in connection with the issuance of this Series 2025B Bond do exist, have happened, and have been performed in due time, form, and manner as required by law in order to make this Series 2025B Bond a valid and legal revenue obligation of the Issuer and that the issuance of the Series 2025B Bonds, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation applicable to the Issuer.

This Series 2025B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

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Trustee authenticate and deliver a new Series 2025B Bond for the unredeemed portion of the principal amount of the Series 2025B Bond so surrendered or (b) will be required to make an appropriate notation on such Series 2025B Bond indicating the dates and amounts of such reduction in principal.

In all instances where the Trustee is directed by the terms of the Indenture to redeem Series 2025B Bonds from moneys deposited into the Redemption Fund, the Trustee will redeem the maximum number of Series 2025B Bonds that may be redeemed in accordance with the applicable provisions hereof, and any excess moneys will remain in the Redemption Fund.

Effect of Calling for Redemption. On or before the date fixed for redemption of Series 2025B Bonds, moneys or Defeasance Obligations (as defined in the Indenture) will be required to be deposited with the Trustee sufficient to pay the redemption price of the Series 2025B Bonds or portions thereof called for redemption.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove described, the Series 2025B Bonds (or portions thereof) called for redemption will be due and payable on the date fixed for redemption at the redemption price provided therefor. On such date, if cash and/or Defeasance Obligations sufficient to pay the redemption price of the Series 2025B Bonds (or portions thereof) to be redeemed, are held by the Trustee in trust for the owners of the Series 2025B Bonds (or portions thereof) to be redeemed, interest on the Series 2025B Bonds (or portions thereof) called for redemption will cease to accrue; such Series 2025B Bonds (or portions thereof) will cease to be entitled to any benefits or security under the Indenture or to be deemed outstanding under the Indenture; and the owners of such Series 2025B Bonds (or portions thereof) will have no rights in respect thereof except to receive payment of the redemption price thereof. Series 2025B Bonds and portions of Series 2025B Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at a redemption date shall have been given to the Trustee in form satisfactory to it will not thereafter be deemed to be outstanding under the Indenture and will cease to be entitled to the security of or any rights under the Indenture, other than rights to receive payment of the redemption price thereof, to be given notice of redemption in the manner herein described, and, to the extent herein and in the Indenture provided, to receive Series 2025B Bonds for any unredeemed portions of Series 2025B Bonds, if cash and/or Defeasance Obligations sufficient to pay the redemption price of such Series 2025B Bonds (or portions thereof) are held by the Trustee in trust for the owners of such Series 2025B Bonds.

The Owner will have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture and except that the Owner may institute action to enforce the payment of the principal of or the interest on his, her, or its Series 2025B Bond.

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IN WITNESS WHEREOF, Palm Beach County, Florida has caused this Series 2025B Bond to be executed by its Mayor by manual or facsimile signature, has caused its official seal to be impressed or reproduced hereon, and has caused this Series 2025B Bond to be attested by its Clerk by manual or facsimile signature, all as of _____, 2025.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: Maria G. Marino
Title: Mayor

Attest:

Joseph Abruzzo, Clerk and Comptroller

By: _____
Deputy Clerk

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Series 2025B Bond is one of the bonds of the subseries described in the within mentioned Indenture.

HANCOCK WHITNEY BANK, as Trustee

By _____
Authorized Signatory

Date of Authentication and Registration:

_____, 2025.

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FOR VALUE RECEIVED, the undersigned, _____,
hereby sells, assigns, and transfers unto _____ (Tax Identification or Social
Security No. _____) the within bond and all rights thereunder and hereby
irrevocably constitutes and appoints _____ attorney to transfer
the within bond on the books kept for registration thereof, with full power of substitution in the
premises.

Dated: _____

Signature

NOTICE: The signature to this Assignment
must correspond with the name of the
registered owner as it appears upon the face
of the within bond in every particular
without alteration or enlargement or any
change whatsoever.

Signature Guaranteed

NOTICE: The signature to this Assignment
must be guaranteed by an institution that is
a participant in the Securities Transfer
Agent Medallion Program ("STAMP") or
similar program.

(PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE)

[END OF FORM OF SERIES 2025B BOND]

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ASSIGNMENT

The following abbreviations, when used in the inscription on this bond or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property

UNIF TRANS
MIN ACT - _____
(Custodian) (Minor)
under Uniform Transfer to Minors Act _____
(State)

Additional abbreviations may be used although not in the above list.

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EXHIBIT K

Palm Beach County, Florida
West Palm Beach, Florida

Hancock Whitney Bank, as trustee
Baton Rouge, Louisiana

Palm Beach County, Florida Revenue Bonds
(Provident Group - PBAU Properties II LLC - Palm Beach Atlantic University Project),
Senior Series 2025A

Palm Beach County, Florida Revenue Bonds
(Provident Group - PBAU Properties II LLC - Palm Beach Atlantic University Project),
Subordinate Series 2025B

Ladies and Gentlemen:

Reference is made to the Loan Agreement dated as of June 1, 2025 (the "Loan Agreement"), between the Palm Beach County, Florida (the "Issuer") and Provident Group – PBAU Properties II LLC, a Florida limited liability company (the "Borrower"), the sole member of which is Provident Resources Group Inc., a Georgia not for profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and a Trust Indenture, dated as of June 1, 2025 (the "Trust Indenture"), between the Issuer and Hancock Whitney Bank, as Trustee. Capitalized terms not otherwise defined herein shall have the same meanings given to them in the Trust Indenture.

In connection with the purchase of a beneficial interest in the above-captioned bonds (the "Series 2025 Bonds") on the date hereof, the undersigned, as beneficial owner of such Series 2025 Bonds, does hereby certify as follows:

1. The undersigned is purchasing either:

Series	Principal Amount Purchased
Series 2025A	
Series 2025B	

2. The undersigned is a "qualified institutional buyer" as defined under Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") and it is not purchasing the Bonds for more than one account or with a view to distributing the Series 2025 Bonds.

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3. The undersigned is purchasing the Series 2025 Bonds for investment, with no present intention of reselling the Series 2025 Bonds. Notwithstanding such present intention, the undersigned is not prohibited from reselling the Series 2025 Bonds in the future to a "qualified institutional buyer" as defined under Rule 144A promulgated by the Securities Act and only in Authorized Denominations as defined in the Indenture. The undersigned further acknowledges that any transfer of its interest in the Series 2025 Bonds will be made only in compliance with the requirements of the Indenture and any applicable securities laws, state and federal. A transfer in violation of these requirements shall be null and void.

4. The undersigned acknowledges and accepts the following:

THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE SERIES 2025 BONDS ARE NOT A DEBT OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF AND DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2025 BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2025 BONDS OR ANY COSTS INCIDENTAL THERETO.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT CONTAINED IN THE BOND DOCUMENTS, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE ISSUER, OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE TRUST INDENTURE, SHALL BE HAD AGAINST THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE ISSUER OR ANY RECEIVER THEREOF, OR FOR OR TO THE REGISTERED OWNER OF ANY BOND ISSUED UNDER THE TRUST INDENTURE, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE ISSUER UPON ANY SUCH BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY

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IN WITNESS WHEREOF, the undersigned has executed this letter effective as of June ____, 2025.

[_____]

By: _____
Its: Manager

STATUTE OR BY CONSTITUTION OR OTHERWISE OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OF ANY ACT OR OMISSION ON HIS PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE REGISTERED OWNER OF ANY BOND ISSUED UNDER THE TRUST INDENTURE OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THE SERIES 2025 BONDS THEREBY SECURED OR ANY OF THEM IS, BY THE ACCEPTANCE THEREOF, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE TRUST INDENTURE AND THE ISSUANCE OF THE SERIES 2025 BONDS.

5. The undersigned has received and read the Preliminary Limited Offering Memorandum dated ____, 2025 and the Limited Offering Memorandum dated ____, 2025 relating to the Series 2025 Bonds including the information relating to: (i) the sources of repayment of the Series 2025 Bonds; (ii) the Series 2025 Project; (iii) the Borrower (including financial and operating data); and (iv) such other material matters relating to the Series 2025 Bonds and the Borrower as the purchaser deemed relevant. The undersigned acknowledges and accepts that it had the opportunity to ask questions of, and request additional information from, the Borrower regarding the information provided to it and any other matters that the undersigned considered to be relevant to the purchaser's decision to purchase the Series 2025 Bonds.

6. The undersigned acknowledges and accepts that it has reviewed and has made its decision to invest in the Series 2025 Bonds based solely on its review of the information provided by the parties that supplied such information. The undersigned represents that it can bear the economic risk associated with a purchase of the Series 2025 Bonds and it has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, so as to be capable of evaluating the merits and risks of an investment in the Series 2025 Bonds on the basis of the information and review described herein.

7. The undersigned acknowledges that the Series 2025 Bonds have not been registered with the Securities and Exchange Commission (in reliance upon an exemption from the Securities Act of 1933, as amended), have not been registered under the "blue sky" laws of any State, and will not be listed on any stock or securities exchange. The undersigned further acknowledges that the Loan Agreement and the Trust Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such act.

8. The undersigned is duly and legally authorized to purchase obligations such as the Series 2025 Bonds.

9. The undersigned is duly and legally authorized to execute and deliver this letter either on its own behalf or on behalf of the purchaser of the Series 2025 Bonds.

This letter and the statements contained herein are made for your benefit.

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APPENDIX G

BOOK-ENTRY SYSTEM

*The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2025 Bonds, payments of principal of and premium, if any, and interest on the Series 2025 Bonds to DTC, its nominee, Direct and Indirect Participants (as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2025 Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC. **None of the Issuer, the Trustee, the Borrower, the University or the Underwriter assume any responsibility for the accuracy or adequacy of the information included in such description.***

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 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 bond certificate will be issued for each maturity of the Series 2025 Bonds, each 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org (which website is not incorporated herein by reference).

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 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 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry-only system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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 the Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of the Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 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 shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 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 Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in

the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

So long as Cede & Co., or any successor thereto, is the registered owner of the Series 2025 Bonds, as DTC's partnership nominee, references herein to the Bondholders or Owners or registered owners of the Series 2025 Bonds shall mean DTC and shall not mean the Beneficial Owners of the Series 2025 Bonds. During such period, the Trustee and the Issuer will recognize DTC or its partnership nominee as the owner of all of the Series 2025 Bonds for all purposes, including the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, as well as the giving of notices and voting.

NONE OF THE ISSUER, THE BORROWER, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC OR ANY DTC PARTICIPANTS (DIRECT OR INDIRECT) OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2025 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT OF DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE DEBT SERVICE PAYMENTS ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

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APPENDIX H

PROPOSED FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, proposes to render an approving opinion with respect to the Bonds in substantially the following form:

June __, 2025

Provident Group – PBAU Properties II LLC
Baton Rouge, Louisiana

RE: \$_____ Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Senior Series 2025A (the "2025A Bonds") and \$_____ Palm Beach County, Florida Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Subordinate Series 2025B (the "2025B Bonds" and, together with the 2025A Bonds, the "Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to Provident Group – PBAU Properties II LLC a limited liability corporation organized under the laws of the State of Florida (the "Borrower"), in connection with the issuance by Palm Beach County, Florida (the "Issuer") of its above-referenced Bonds pursuant to and under the authority of the Constitution of the State of Florida, the Issuer's home rule powers, Chapter 159, Parts II and III, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), Resolution No. R2025-0506 adopted by the Board of County Commissioners of the Issuer on April 8, 2025 (the "Resolution"), and pursuant to a Trust Indenture dated as of June 1, 2025 (the "Indenture"), by and between the Issuer and Hancock Whitney Bank, as trustee (the "Trustee"). The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Loan Agreement dated as of June 1, 2025 (the "Loan Agreement") by and among the Issuer and the Borrower. In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture and the Loan Agreement.

As to questions of fact material to our opinion, we have examined and relied upon representations of the Issuer contained in the Indenture and the Borrower contained in the Loan Agreement and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals

of documents submitted as copies. We have made no examination of the title to the Series 2025 Project or any other property of the Borrower.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of the Palm Beach County Attorney as counsel to the Issuer, with respect to various matters concerning the Issuer, including (i) the due creation and valid existence of the Issuer, the due adoption of the Resolution, (ii) the due execution and delivery of the Bonds, (iii) the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Bonds, and (iv) the due execution and delivery of the Issuer Documents (as defined in such opinion) by the Issuer.

In rendering this opinion, we have also examined and relied upon the opinions of even date herewith of Fishman Haygood, L.L.P. and of Bryant Miller Olive P.A., as counsels for the Borrower and counsels for Provident Resources Group Inc. (the "Corporation"), a Georgia non-profit corporation and the sole member of the Borrower, with respect to various matters concerning the Borrower and the Corporation, including (i) the due organization and valid existence of the Borrower and the Corporation, (ii) the authorization, execution and delivery of the Loan Agreement by the Borrower, (iii) the power of the Borrower and the Corporation to enter into and perform the certain documents, (iv) the status of the Corporation as a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), exempt from federal income tax under Section 501(a) of the Code, and not a private foundation within the meaning of Section 509(a) of the Code, (v) the status of the Borrower as an entity that is disregarded for United States federal tax law purposes, and (vi) the absence of any currently expected use of the Series 2025 Project in any "unrelated trade or business" of the Borrower as defined in Section 513 of the Code.

Under the Loan Agreement, the Borrower has agreed to make payments sufficient for the Issuer to pay when due, the principal of, premium, if any, and interest on the Bonds in the manner provided in the Indenture, and such payments and the rights of the Issuer under the Loan Agreement (except for the Issuer's Unassigned Rights) were pledged and assigned by the Issuer to the Trustee as security for the Bonds.

The Bonds are limited and special obligations of the Issuer and are payable solely from the Trust Estate in the manner and to the extent provided in the Indenture, and neither the Bonds nor the interest thereon shall constitute an indebtedness or a pledge of the faith and credit of the Issuer, the University, the State, or any political subdivision of the State within the meaning of any State constitutional provision, statutory limitation, or charter provision and will not constitute or give rise to a pecuniary liability of the Issuer, the University, the State, or any political subdivision of the State or a charge against the general credit or taxing power of any of them. The issuance of the Bonds does not directly or indirectly or contingently obligate the Issuer, the State, or any political subdivision of the State to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Indenture and the Loan Agreement constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. All rights of the Issuer under the Loan Agreement (except for Unassigned Rights) have been validly assigned to the Trustee under the Indenture.

2. The Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Trust Estate in the manner and to the extent provided in the Indenture.

3. The Indenture creates a valid lien upon the Trust Estate for the security of the Bonds, all in the manner and to the extent provided in the Indenture.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Bonds may be taken into account for purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted in the Indenture and in the Loan Agreement, respectively, to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Limited Offering Memorandum or any other offering material relating to the Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds or regarding the perfection or priority of the lien. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the

Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Bonds or regarding the perfection or priority of the lien on the Trust Estate created by the Indenture. Further, we express no opinion regarding federal income tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) dated June __, 2025, is executed and delivered by Provident Group – PBAU Properties II LLC (the “Borrower”) and Digital Assurance Certification, LLC as Dissemination Agent hereunder (the “Dissemination Agent”), in connection with the issuance by Palm Beach County, Florida (the “Issuer”) of its \$_____ Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Senior Series 2025A (the “Series 2025A Bonds”) and its \$_____ Revenue Bonds (Provident Group – PBAU Properties II LLC – Palm Beach Atlantic University Project), Subordinate Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to the Indenture described below.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders and Beneficial Owners (defined below) of the Series 2025 Bonds and in order to assist J.P. Morgan Securities LLC (the “Underwriter”), in complying with the Rule (defined below). The Borrower acknowledges that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Agreement, and has no liability to any Person, including (without limitation) any holder or Beneficial Owner of the Series 2025 Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Additional Report” shall mean any Additional Report provided by the Borrower pursuant to, and as described in, Section 3(e) of this Agreement.

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“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 2025 Bonds (including Persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“Developer” shall mean PBAU DevCo LLC, a limited liability company organized under the laws of the State of Florida and its successors and assigns.

“Development Agreement” with respect to the Series 2025 Bonds, shall mean the Turnkey Development Agreement dated _____, 2025, between the Borrower and the Developer.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time. A current list of such systems may be obtained from the Securities and Exchange Commission at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Fiscal Year” shall mean the fiscal year of the Borrower, initially, the twelve (12) month period commencing on July 1 of each year and ending on June 30 of the subsequent year.

“Ground Lease” with respect to the Series 2025 Bonds, means, the Ground Lease Agreement, dated as of June __, 2025, between the University and the Borrower, as the same may be amended from time to time in accordance with the provisions thereof.

“Indenture” shall mean the Trust Indenture dated as of June 1, 2025, by and between the Issuer and the Trustee.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“Loan Agreement” shall mean the Loan Agreement dated as of June 1, 2025, by and between the Issuer and the Borrower.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Series 2025 Project” shall mean, the design, development, construction, and equipping of an approximately 990 bed student housing facility, an approximately 28,000 square foot dining facility, an approximately 14,000 square foot health and recreational facility and an adjacent 9-story approximately 704 space parking facility on the University campus, all as more fully described in the Indenture.

“State” shall mean the State of Florida.

“Trustee” shall mean Hancock Whitney Bank, as trustee under the Indenture.

“University” shall mean Palm Beach Atlantic University, Inc.

“University Fiscal Year” shall mean the fiscal year of the University, initially, the twelve (12) month period commencing on July 1 and ending on June 30 of the subsequent calendar year.

“University Information” shall mean the information provided by the University in the Borrower’s Limited Offering Memorandum dated _____, 2025 related to the issuance of the Series 2025 Bonds in “APPENDIX A – PALM BEACH ATLANTIC UNIVERSITY, INC.,” under the headings entitled “UNIVERSITY LEADERSHIP—Administration,” “ACADEMIC PROGRAMMING,” “ENROLLMENT—Student Enrollment,” “—Admissions and Retention,” “—Tuition and Fees,” “—Financial Assistance,” “UNIVERSITY FINANCES —Discussion of Recent Financial Results of Operation,” “—Plant Assets,” “—Insurance,” “—Current Outstanding Indebtedness,” “—Financial Covenant Forecast,” “—Capital Expenditures and Future Indebtedness,” as well as anything that management of the University deems to be a material change to the information contained under the heading

“PROFILE OF THE UNIVERSITY—University Facilities” or under the heading “LITIGATION—The University” in the Limited Offering Memorandum.

SECTION 3. Provision of Annual Reports; Provision of Additional Reports.

(a) The Borrower shall provide, or shall cause the Dissemination Agent to provide, not later than 180 days after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2028, to EMMA, an Annual Report in the appropriate format required by law or applicable regulation which is consistent with the requirements of Section 4 of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. If the Fiscal Year changes, the Borrower shall notify the Dissemination Agent and the Trustee in writing of such change.

Each submission of an Annual Report by the Borrower shall contain on its cover page in bold face type the following language, as appropriate:

The information contained herein is being filed by Provident Group — PBAU Properties II LLC for the purposes of complying with its responsibilities under SEC Rule 15c2-12. The information contained herein is as of the date set forth below. Palm Beach County, Florida (the “Issuer”) has not participated in the presentation of this report or examined its contents, and the Issuer makes no representations concerning the accuracy and completeness of the information contained herein.

(b) Not later than five Business Days prior to the date specified in subsection (a) for providing the Annual Reports to EMMA, the Borrower shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of an Annual Report, the Dissemination Agent shall contact the Borrower to determine if the Borrower is in compliance with subsection (a) above.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall, if and to the extent the Borrower has provided the Annual Report to the Dissemination Agent, file a report with the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Report has been provided pursuant to this Agreement and stating the date it was provided.

(e) Additionally, the Borrower shall provide or cause the Dissemination Agent to provide to EMMA, the following information for the applicable period set forth below (such information is referred to collectively herein as the “Additional Reports”):

- i. not later than twenty five (25) days after the end of each month, through the Substantial Completion Date (as defined in the Development Agreement), the Monthly Progress Reports (as defined in the Development Agreement) provided by the Developer to the Borrower;
- ii. not later than June 30, 2027 and on each June 30 thereafter, a calculation of the number of beds in the Student Housing Facility (as defined in the Development Agreement) as to which leases shall have been entered into with residents;

- iii. no later than five (5) business days prior to October 25 and February 25 of each year following the Substantial Completion Date, a leasing report providing the number of beds for which occupancy agreements have been executed in the Student Housing Facility as of October 1 and February 1 of each such year;
- iv. no later than October 15 of each year a comparison of the University's then current years' applications, acceptances, and matriculations, respectively, as compared to the previous year in a manner similar to the table entitled "Traditional Undergraduate" in Appendix A to the Limited Offering Memorandum (only for the current year and previous year), and an occupancy report of the University showing the occupancy in the various student residences on campus other than the Series 2025 Project as of such October 15 (and for the preceding 4 years) in a manner similar to the section entitled "Occupancy Report From 2020-21 to 2024-25" in Appendix A to the Limited Offering Memorandum, to the extent such information is timely provided to the Borrower by the University.
- v. within sixty (60) days after each June 30, commencing December 31, 2028, until the Bonds shall have been paid in full, unaudited financial statements of the Borrower for the six (6) months then ended, including a budget to actual variance, prepared by the Borrower in accordance with generally accepted accounting principles for non-profit corporations consistently applied, or in accordance with such other accounting principles as are approved by an independent certified public accountant.

Borrower also agrees to provide notice to the Dissemination Agent when the Substantial Completion Date has occurred.

SECTION 4. Content of Annual Report. The Annual Report of the Borrower shall contain or include by reference the following information:

(a) (i) commencing with the Annual Report provided for the Fiscal Year ending June 30, 2025, the audited financial statement of the University for the prior University Fiscal Year, prepared in accordance with United States generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB), for and the United States accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. The University may from time to time, in order to comply with Federal or State legal requirements, modify the basis upon which its financial statements are prepared; and (ii) commencing with the Annual Report provided for the Fiscal Year ending June 30, 2028, the audited financial statements of the Borrower for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles.

If the Borrower's audited financial statements are not available when required to be filed pursuant to Section 3(a)(ii), the Annual Report shall contain Borrower's unaudited financial statements, and the Borrower's audited financial statements shall be filed on EMMA as soon as they are available.

The Borrower will obtain the University's audited financial statements from the posting of the same by the University on EMMA. If the University's audited financial statements have not been posted by the University on EMMA by the time the Annual Report is required to be filed pursuant to Section 3(a), then

the Borrower shall include the University's unaudited financial statements, if available, in the Annual Report, and the Borrower will file the University's audited financial statements on EMMA once they are available from the University's EMMA filing for such fiscal year. Failure of the University to post its audited financial statements on EMMA within the timeframe required herein shall not constitute a default by the Borrower hereunder; provided in such event, the Borrower will post a notice to EMMA reflecting that the audited financial statements are not available. The Borrower makes no representations and assumes no obligation for the accuracy or completeness of the University's financial statements.

(b) An update to the University Information for the preceding University Fiscal Year, based on the EMMA filing by the University under its Continuing Disclosure Agreement executed and delivered in connection with the issuance of the Palm Beach County Educational Facilities Authority Revenue Bonds (Palm Beach Atlantic University, Inc.) Series 2024 (the "University's CDA"), or otherwise. The Borrower's obligation to include the updated System Information in its Annual Report is dependent on such information being contained in the University's annual filing on EMMA in accordance with the University's CDA. The Borrower shall have no liability for failure to include the University Information in its Annual Report if such information is not posted by the University with EMMA, and such failure shall not constitute a default hereunder; provided in such event, the Borrower will post a notice to EMMA reflecting the fact that the update to the System Information is not available. The Borrower makes no representations and assumes no obligation for the accuracy or completeness of the University Information. For the avoidance of doubt, the Borrower intends to satisfy its obligation to post University Information under this Section 4(b) by posting the University's EMMA filing pursuant to the University's CDA.

The audited financial statements described above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower (or as such statements relate to the University, with respect to which the University) is an "obligated person" (as defined by the Rule), which have been filed with EMMA. If the document included by reference is a final limited offering memorandum, it must be available from the Municipal Securities Rulemaking Board. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- 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 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;

- vii. Modifications to rights of Bondholders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing 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 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 of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, 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; and
- 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.

For purposes of this Agreement, the term “financial obligation” means 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) a guarantee of (i) or (ii).

(b) The Dissemination Agent shall, within three Business Days of obtaining actual knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, provide the Borrower with written notice. The Dissemination Agent shall not be deemed to have actual knowledge of

those items listed in clauses (ii), (vi), (vii), (x), (xi), (xii), (xiii), (xv), (xvi), (xv) or (xvi) without the Dissemination Agent having received written notice of such event.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Borrower shall, within ten Business Days after the occurrence of such event, determine if such event is in fact a Listed Event and provide the Dissemination Agent with written notice pursuant to subsections (d) or (e) below, as applicable.

(d) If the Borrower determines that an event is a Listed Event, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f). Such notice shall include sufficient information concerning the Listed Event to enable the Dissemination Agent to report the occurrence.

(e) If the Borrower determines that an event is not a Listed Event, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA within three Business Days of its receipt of such instructions from the Borrower, but in no event shall such notice be filed more than ten Business Days after the occurrence of such event. Notwithstanding the foregoing, notice of Listed Events described in clauses (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Series 2025 Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds. If the Borrower's obligations under the Loan Agreement are assumed in full by another Person, such other Person shall be responsible for compliance with this Agreement in the same manner as if it were the Borrower and the Borrower shall have no further responsibility hereunder (except with respect to obligations of the Borrower which survive the termination hereof pursuant to Section 11 hereof). If such termination or substitution occurs prior to the final maturity of the Series 2025 Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f) hereof.

SECTION 7. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. 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 Agreement. The initial Dissemination Agent shall be Digital Assurance Certification, LLC. The Dissemination Agent may resign at any time by providing at least 30 days' written notice to the Borrower, and such resignation shall be effective as of the date of the appointment of a designated Dissemination Agent.

SECTION 8. Amendment Waiver. Notwithstanding any other provision of this Agreement, the Borrower and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower other than amendments increasing or affecting the obligations or duties of the Dissemination Agent, which amendments shall require the consent of the Dissemination Agent, as applicable) and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of nationally recognized federal securities law counsel,

cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Series 2025 Bonds, after taking into account any amendments or interpretations of the Rule.

In the event of any amendment or waiver of a provision of this Agreement, the Borrower shall describe such amendment in the next Annual Report of the Borrower, 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 Listed Event under Section 5(f), and (ii) the Annual Reports 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 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Borrower shall not have any obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder, may apply to the Borrower, and that under some circumstances compliance with this Agreement, without additional disclosure or other action, may not fully discharge all duties and obligations of the Borrower under such laws.

SECTION 10. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Agreement, the Dissemination Agent, at the written direction of the Underwriter, or any holder or Beneficial Owner of the Series 2025 Bonds (but only if and to the extent the Dissemination Agent is indemnified to its satisfaction from any costs, liability, or expense including, without limitation, fees and expenses of its attorneys, as provided in the Indenture) 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 Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, the Loan Agreement, or the Leasehold Mortgage and the sole remedy under this Agreement in the event of a failure of the Borrower or the Dissemination Agent to comply with this Agreement shall be an action to compel performance; provided, however that nothing in this Agreement shall limit any holder's rights under applicable federal securities laws.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent

under this Agreement without further act. The Borrower covenants and agrees to indemnify and hold the Dissemination Agent and its directors, officers, agents and employees (collectively, the “Indemnitees”) harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim (“Losses”) that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Dissemination Agent’s authorized to rely pursuant to the terms of this Agreement. Provided the Dissemination Agent has not acted negligently, the Borrower also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Dissemination Agent’s performance under this Agreement. The provisions of this Section 11 shall survive the termination of this Agreement and the resignation or removal of the Dissemination Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to loss profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds or the termination hereof. In no event shall the Dissemination Agent be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Parties’ only recourse against the Dissemination Agent shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties’ obligation under this Agreement.

(b) The Issuer shall have no responsibility or liability in connection with the Borrower’s compliance with the Rule, its filing obligations under this Agreement or in connection with the contents of such filings. The Borrower agrees to indemnify and save the Issuer, and its members, officers, employees and agents, harmless against any loss, expense (including reasonable attorneys’ fees) or liability arising out of (i) any breach by the Borrower of this Agreement or (ii) any Annual Report or notices provided under this Agreement or any omissions therefrom.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Borrower:	Provident Group – PBAU Properties II LLC c/o Provident Resources Group Inc. 5565 Bankers Avenue Baton Rouge, Louisiana 70808 Attention: Steve E Hicks Telephone: (225) 766-3999 Facsimile: (225) 766-3988 E-Mail: Hicks@Provident.org

To the Dissemination Agent:	Digital Assurance Certification LLC Attention: Support 315 East Robinson Street, Suite 300 Orlando, FL 32801 Telephone: (407) 515-1100 E-Mail: Support@DACBond.com

To the Trustee:

Hancock Whitney Bank
445 North Boulevard, Suite 201
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department
Telephone: (225) 248-7407 Facsimile: (225) 248-7469
E-Mail: david.lonibos@hancockwhitney.com

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Issuer, the Underwriter, and the holders and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Applicable Law. This Agreement shall be construed under the laws of the State.

SECTION 16. No Liability of Borrower's Member or Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Agreement or in any other documents delivered in connection with the issuance of the Series 2025 Bonds, or for any claim based thereon, or under any judgment obtained against the Borrower, or Provident Resources Group Inc. or any incorporator, director, member, or officer of any successor entity, as such, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of the Borrower, 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 this Agreement or any other documents delivered in connection with the issuance of the Series 2025 Bonds.

SECTION 17. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Borrower or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 18. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means or a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party) in English; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message, then such signature is a valid and binding signature of the authorized representative of such party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have executed this Agreement under seal on the date and year first written above.

PROVIDENT GROUP– PBAU PROPERTIES II LLC, a
Florida limited liability company

By: Provident Resources Group Inc., a Georgia
Nonprofit Corporation, its Sole Member

By: _____
Steve E. Hicks
Chief Executive Officer

DIGITAL ASSURANCE CERTIFICATION LLC, as
Dissemination Agent

By: _____
Brianna Steger
Senior Vice President

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Palm Beach County, Florida

Name of Bond Issue: \$_____ Palm Beach County, Florida Revenue Bonds
(Provident Group – PBAU Properties II LLC – Palm Beach
Atlantic University Project), Senior Series 2025A and
\$_____ Palm Beach County, Florida Revenue Bonds
(Provident Group – PBAU Properties II LLC – Palm Beach
Atlantic University Project), Subordinate Series 2025B

Name of Borrower: Provident Group – PBAU Properties II LLC

Date of Issuance: June __, 2025

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named bonds. The Borrower anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, LLC, as
Dissemination Agent, on behalf of the Borrower

By: _____
Name: _____
Title: _____

cc: Palm Beach County, Florida
Provident Group– PBAU Properties II LLC

APPENDIX J

FORM OF INVESTOR LETTER

Palm Beach County, Florida
West Palm Beach, Florida

Hancock Whitney Bank, as trustee
Baton Rouge, Louisiana

\$ _____
Palm Beach County, Florida
Revenue Bonds
(Provident Group – PBAU Properties II LLC –
Palm Beach Atlantic University Project)
Senior Series 2025A

\$ _____
Palm Beach County, Florida
Revenue Bonds
(Provident Group – PBAU Properties II LLC –
Palm Beach Atlantic University Project)
Subordinate Series 2025B

Ladies and Gentlemen:

Reference is made to the Loan Agreement dated as of June 1, 2025 (the “Loan Agreement”), between the Palm Beach County, Florida (the “Issuer”) and Provident Group – PBAU Properties II LLC, a Florida limited liability company (the “Borrower”), the sole member of which is Provident Resources Group Inc., a Georgia not for profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and a Trust Indenture, dated as of June 1, 2025 (the “Trust Indenture”), between the Issuer and Hancock Whitney Bank, as Trustee. Capitalized terms not otherwise defined herein shall have the same meanings given to them in the Trust Indenture.

In connection with the purchase of a beneficial interest in the above-captioned Bonds (the “Bonds”) on the date hereof, the undersigned, as beneficial owner of such Bonds, does hereby certify as follows:

1. The undersigned is purchasing either:

Series	Principal Amount Purchased
Series 2025A	\$
Series 2025B	\$

2. The undersigned is a “qualified institutional buyer” as defined under Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the “Securities Act”) and it is not purchasing the Series 2025 Bonds for more than one account or with a view to distributing the Series 2025 Bonds.

3. The undersigned is purchasing the Bonds for investment, with no present intention of reselling the Bonds. Notwithstanding such present intention, the undersigned is not prohibited from reselling the Bonds in the future to a "qualified institutional buyer" as defined under Rule 144A promulgated by the Securities Act and only in Authorized Denominations as defined in the Indenture. The undersigned further acknowledges that any transfer of its interest in the Bonds will be made only in compliance with the

requirements of the Indenture and any applicable securities laws, state and federal. A transfer in violation of these requirements shall be null and void.

4. The undersigned acknowledges and accepts the following:

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF AND DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT CONTAINED IN THE BOND DOCUMENTS, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE ISSUER, OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE TRUST INDENTURE, SHALL BE HAD AGAINST THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE ISSUER OR ANY RECEIVER THEREOF, OR FOR OR TO THE REGISTERED OWNER OF ANY BOND ISSUED UNDER THE TRUST INDENTURE, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE ISSUER UPON ANY SUCH BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY STATUTE OR BY CONSTITUTION OR OTHERWISE OF THE ISSUER, THE STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OF ANY ACT OR OMISSION ON HIS PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE REGISTERED OWNER OF ANY BOND ISSUED UNDER THE TRUST INDENTURE OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THE BONDS THEREBY SECURED OR ANY OF THEM IS, BY THE ACCEPTANCE THEREOF, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE TRUST INDENTURE AND THE ISSUANCE OF THE BONDS.

5. The undersigned has received and read the Preliminary Limited Offering Memorandum dated _____, 2025, and the Limited Offering Memorandum dated _____ 2025, relating to the Bonds, including the information relating to: (i) the sources of repayment of the Bonds; (ii) the Series 2025 Project; (iii) the Borrower (including financial and operating data); and (iv) such other material matters relating to the Bonds and the Borrower as the purchaser deemed relevant. The undersigned acknowledges and accepts that it had the opportunity to ask questions of, and request additional information from, the Borrower

regarding the information provided to it and any other matters that the undersigned considered to be relevant to the purchaser's decision to purchase Bonds.

6. The undersigned acknowledges and accepts that it has reviewed and has made its decision to invest in the Bonds based solely on its review of the information provided by the parties that supplied such information. The undersigned represents that it can bear the economic risk associated with a purchase of the Bonds and it has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, so as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the information and review described herein.

7. The undersigned acknowledges that the Bonds have not been registered with the Securities and Exchange Commission (in reliance upon an exemption from the Securities Act of 1933, as amended), have not been registered under the "blue sky" laws of any State, and will not be listed on any stock or securities exchange. The undersigned further acknowledges that the Loan Agreement and the Trust Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such act.

8. The undersigned is duly and legally authorized to purchase obligations such as the Bonds.

9. The undersigned is duly and legally authorized to execute and deliver this letter either on its own behalf or on behalf of the purchaser of the Bonds.

This letter and the statements contained herein are made for your benefit.

IN WITNESS WHEREOF, the undersigned has executed this letter effective as of _____, 2025.

[_____]

By: _____

Its: _____

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