NEW ISSUE—BOOK-ENTRY ONLY

BAM-Insured Rating: S&P "AA"
Underlying Rating: S&P "BBB- (stable)"
(See "RATING" herein)

In the opinion of Bond Counsel, interest on the Series A Bonds (including any original issue discount properly allocated to a holder thereof) is excludable from gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to conditions described in "TAX EXEMPTION AND OTHER TAX MATTERS" herein. Interest on the Series A Bonds is not a specific preference item for purposes of computing the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Series B Bonds is includible in gross income of the holders thereof for federal income tax purposes. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the interest on the 2024 Bonds is exempt from Pennsylvania income tax and Pennsylvania corporate net income tax. For a more complete discussion, see "TAX EXEMPTION AND OTHER TAX MATTERS" herein.

$82,920,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024A

$2,180,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024B (Federally Taxable)

Dated: Date of Issue **Due: August 1, as shown inside**

The Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A (the "Series A Bonds") and the Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (the "Series B Bonds" and, together with the Series A Bonds, the "2024 Bonds") are being issued by the Chester County Industrial Development Authority (the "Issuer") pursuant to an Indenture of Trust dated as of October 1, 2024 (the "Indenture") by and between the Issuer and TD Bank, National Association, as trustee (the "Trustee"). The proceeds of the 2024 Bonds are being loaned to University Student Housing, LLC (the "Borrower"), a Pennsylvania limited liability company, whose sole member is West Chester University Foundation (the "Foundation"), pursuant to a Loan Agreement between the Issuer and the Borrower dated as of October 1, 2024 (the "Loan Agreement"). The 2024 Bonds are being issued to provide funds, together with other available funds, to finance (i) the current refunding of all of the outstanding Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2008A-1 and Series 2008A-2 (the "Refunded Bonds"), (ii) miscellaneous capital expenditures within and for the benefit of students attending West Chester University of Pennsylvania (the "University") of the Pennsylvania State System of Higher Education (the "System"), including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall, (iii) necessary reserves, including the funding of all or a portion of debt service reserves, (iv) appropriate credit enhancement or bond insurance, if needed or desired, (v) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds, and (vi) payment of the costs of issuance of the 2024 Bonds (collectively, the "Project"). The proceeds of the Refunded Bonds were used to finance or reimburse, in part, the acquisition, construction and equipping of student housing facilities in order to provide approximately 1,258 beds, including buildings, furniture, fixtures and equipment (the "Student Housing Facilities") located on the North Campus of the University. The revenues of the Student Housing Facilities will constitute the principal security for the 2024 Bonds. The 2024 Bonds will also be secured by an Open-End Leasehold Mortgage and Security Agreement. The real property on which the Student Housing Facilities are located is leased to the Borrower pursuant to a Ground Lease Agreement dated as of March 1, 2008 (as may be amended and supplemented from time to time, the "Ground Lease") by and between the Borrower and the University.

The 2024 Bonds will be issued in fully registered form, registered in the name of Cede & Co., as nominee for The Depository Trust Borrower, New York, New York ("DTC"), which will act as securities depository for the 2024 Bonds. Individual purchases of beneficial ownership interests in the 2024 Bonds will be made in book-entry form only, and individual purchasers will not receive physical delivery of bond certificates. Payments of the principal of, and interest on, the 2024 Bonds will be made by the Trustee, to Cede & Co., as nominee for DTC, for disbursement to DTC participants and subsequent disbursement to the beneficial owners of the 2024 Bonds. The Indenture permits the issuance of additional bonds on a parity with the 2024 Bonds ("Additional Bonds"). See "THE 2024 BONDS—Additional Bonds" herein.

The 2024 Bonds are issuable as fully registered bonds without coupons in denominations of $5,000 and any integral multiple thereof. The 2024 Bonds will bear interest from their date of issue, payable semiannually on each February 1 and August 1, commencing February 1, 2025.

The scheduled payment of principal of and interest on the 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2024 Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE" herein and Appendix L hereto.

BAM
BUILD AMERICA MUTUAL

THE 2024 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY AND ONLY FROM THE TRUST ESTATE AS DESCRIBED HEREIN.

THE 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL CREDIT OR THE TAXING POWER OF ANY OF THEM. THE ISSUER HAS NO TAXING POWER.

The 2024 Bonds are subject to prior mandatory, optional, and extraordinary redemption as described herein. See "THE 2024 BONDS" herein.

SEE "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE 2024 BONDS. EACH PROSPECTIVE INVESTOR SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2024 BONDS.

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

The 2024 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 Dilworth Paxson LLP, Philadelphia, Pennsylvania, Bond Counsel, and to certain other conditions. Certain legal matters will be passed on for the Issuer by its counsel, Lamb McErlane PC, West Chester, Pennsylvania, for the Borrower by Obermayer Rebmann Maxwell & Hippel LLP, Philadelphia, Pennsylvania, and for the Underwriter by Kutak Rock LLP, Omaha, Nebraska. Callowhill Capital Advisors LLC is serving as the Financial Advisor to the Borrower. Delivery of the 2024 Bonds through the facilities of DTC in New York, New York is expected on or about October 31, 2024.

RAYMOND JAMES®

Dated: October 17, 2024

MATURITY SCHEDULE

SERIES A BONDS

$38,810,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[1]
2026	$1,350,000	5.000%	3.050%	103.293%	16559PAZ8
2027	1,675,000	5.000	2.940	105.399	16559PBA2
2028	1,755,000	5.000	2.970	107.149	16559PBB0
2029	1,850,000	5.000	3.020	108.695	16559PBC8
2030	2,560,000	5.000	3.110	109.876	16559PBD6
2031	2,685,000	5.000	3.190	110.908	16559PBE4
2032	2,820,000	5.000	3.280	111.681	16559PBF1
2033	2,960,000	5.000	3.380	110.959[2]	16559PBG9
2034	3,110,000	5.000	3.450	110.456[2]	16559PBH7
2035	3,265,000	5.000	3.520	109.957[2]	16559PBJ3
2036	3,430,000	5.000	3.570	109.601[2]	16559PBK0
2037	3,600,000	5.000	3.590	109.460[2]	16559PBL8
2038	3,780,000	5.000	3.610	109.318[2]	16559PBM6
2039	3,970,000	5.000	3.670	108.895[2]	16559PBN4

Term Bonds

$44,110,000—4.000% Term Bonds maturing August 1, 2048—Price 95.989%, Yield 4.270%; CUSIP[1] 16559PBU8

SERIES B BONDS

Term Bonds

$2,180,000—5.200% Term Bonds maturing August 1, 2029—Price 100.000%, Yield 5.200%; CUSIP[1] 16559PBV6

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(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of S&P Capital I.Q., a business line of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. None of the Issuer, the Borrower, the Underwriter or their respective agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Bonds.

(2) The Series A Bonds maturing in the years 2033 through 2039 are priced to the first call date of August 1, 2032 at a redemption price of 100%.

NOTICE TO INVESTORS

No dealer, broker, salesman, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there by any sale of the 2024 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there by any sale of the 2024 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Information with respect to the Borrower, the Project and the University has been furnished by the Borrower and the University, respectively, and neither the Issuer nor the Underwriter make any representation or warranty as to the accuracy or completeness of such information. Information with respect to the Issuer under the captions "THE ISSUER" and "LITIGATION" (insofar as such information pertains to the Issuer) has been furnished by the Issuer, and neither the Borrower nor the Underwriter make any representation or warranty as to the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

THE 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2024 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2024 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE 2024 BONDS 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.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

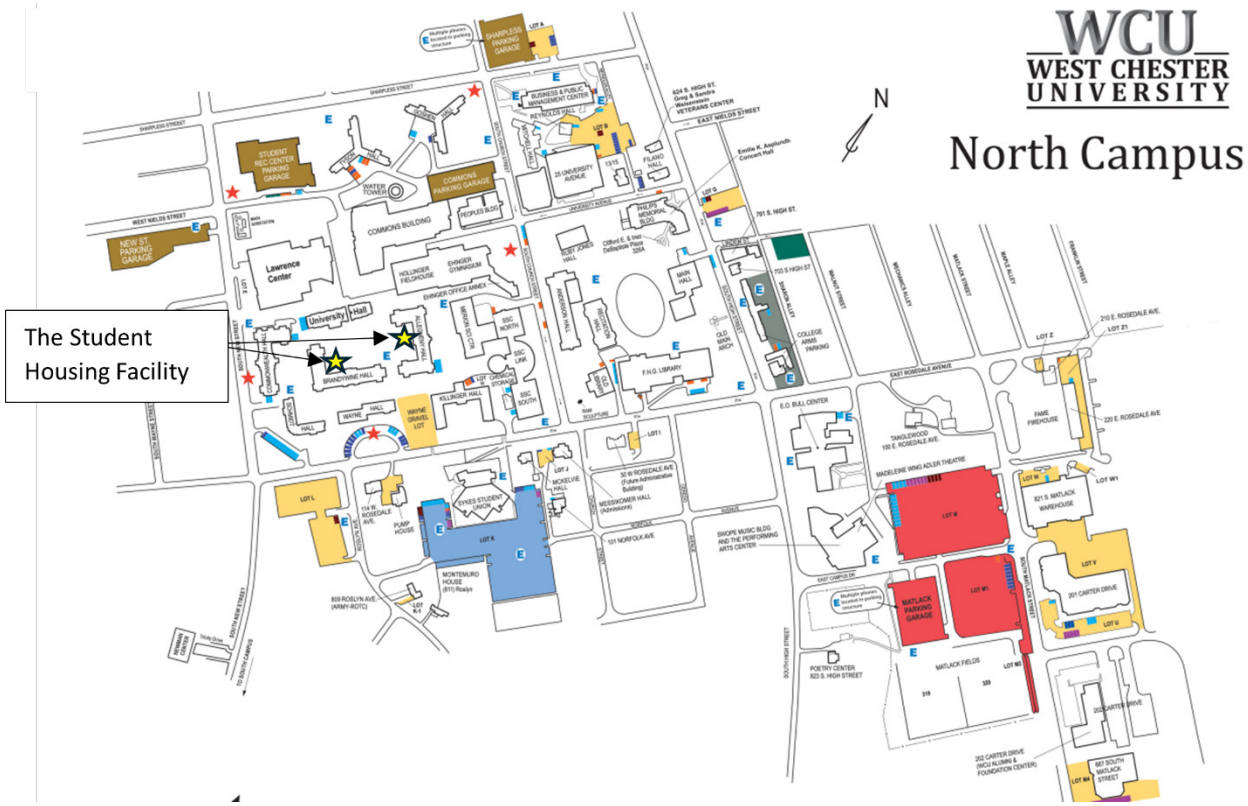
This Official Statement contains statements which should be considered "forward-looking statements," within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "anticipate," "believe," "budget," "estimate," "expect," "intend," "plan," "forecast," or similar words.

If and when included in this Official Statement or in documents incorporated herein by reference, the words "projections," "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 under the headings "STUDENT HOUSING FACILITIES," "MARKET STUDY," "CASH FLOW PROJECTION," "CERTAIN BONDHOLDERS' RISKS," "APPENDIX I—MARKET STUDY" and "APPENDIX J—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 Official Statement. The Issuer, 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 Official Statement 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 ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE 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 BORROWER DOES NOT EXPECT OR INTEND 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.

On or prior to the delivery of the 2024 Bonds, the Borrower will enter into an undertaking for the benefit of the owners of the 2024 Bonds to send or cause to be sent certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board or to certain information repositories of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix L - Specimen Municipal Bond Insurance Policy".


WCU
WEST CHESTER UNIVERSITY
North Campus
N
The Student Housing Facility
SHARPLESS PARKING GARAGE
STUDENT REC CENTER PARKING GARAGE
COMMONS PARKING GARAGE
NEW ST. PARKING GARAGE
COMMONS BUILDING
Lawrence Center
University Hall
BRANDYWINE HALL
WAYNE GRAVEL LOT
SYKES STUDENT UNION
MONTEMURO HOUSE
F.H.G. LIBRARY
COLLEGE ARMS PARKING
E.O. BULL CENTER
MADELEINE WING ADLER THEATRE
MATLACK PARKING GARAGE
MATLACK FIELDS
FAME FIREHOUSE
821 S. MATLACK WAREHOUSE
201 CARTER DRIVE
202 CARTER DRIVE (WCU ALUMNI & FOUNDATION CENTER)
SIMOPE MUSIC BLDG AND THE PERFORMING ARTS CENTER
101 NORFOLK AVE
MCKELVIE HALL
PUMP HOUSE
SHARPLESS STREET
WEST MELDS STREET
EAST MELDS STREET
EAST ROSEDALE AVENUE
SOUTH HIGH STREET
SOUTH MATLACK STREET
SOUTH NEW STREET
TO SOUTH CAMPUS

Allegheny Hall

Brandywine Hall

TABLE OF CONTENTS

Page

INTRODUCTORY STATEMENT 1
ESTIMATED SOURCES AND USES OF FUNDS 4
THE 2024 BONDS 4
General Description 4
Payment of the 2024 Bonds 5
Debt Service Schedule for the 2024 Bonds 5
Book-entry-only System 5
Limited Obligations of the Issuer 8
Additional Bonds 8
Redemption 9
Transfers of 2024 Bonds 11
BOND INSURANCE 11
Bond Insurance Policy 11
Build America Mutual Assurance Company 12
Additional Information Available from BAM 13
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS 13
Limited Obligations of the Issuer 13
Mortgage and Assignments 14
Pledge and Assignment of Trust Estate 14
The Trustee 15
Flow of Funds and Funds and Accounts Established Under the Indenture 15
Debt Service Reserve Fund 15
Title and Property Insurance 15
Enforceability of Remedies 16
THE MORTGAGE 16
THE ISSUER 16
STUDENT HOUSING FACILITIES 17
Description of the Student Housing Facilities 17
Occupancy Rates 18
Historical Performance 19
The Cooperation Agreement 20
The Service Agreement 20
Property Condition Report 20
MANAGEMENT OF THE STUDENT HOUSING FACILITIES 20
CASH FLOW PROJECTION 20
THE GROUND LEASE 21
General Lease Terms 21
Rent 21
Subordination of Rent 22
Limitations on Use 22
Leasehold Mortgages 22
Defaults and Remedies 22
Option to Purchase 24
Sublease by University 24
THE COOPERATION AGREEMENT 24

THE SERVICE AGREEMENT 24
THE BORROWER 24
Officers and Board of Managers of the Borrower 25
NONRECOURSE OBLIGATIONS OF THE BORROWER 27
THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA 27
THE UNIVERSITY 28
Introduction 28
General 29
Enrollment Information 29
Graduation Rate 31
Tuition 32
Current University Housing Program 32
Occupancy; Extended Housing and Wait Lists 34
UNIVERSITY NOT LIABLE FOR BONDS 35
MARKET STUDY 35
CERTAIN BONDHOLDERS' RISKS 35
General 35
Limited Obligations of the Issuer 36
Limited Resources of the Borrower; Limited Recourse 37
No Recourse Against the Borrower, the Issuer, the University, the Foundation or the System 38
Liquidation of Security May Not Be Sufficient in the Event of a Default 38
Risks Associated with Ground Lease 38
Business Disruption Risk 39
Additional Bonds 39
Geographic Concentration 39
Insurance and Legal Proceedings 39
Existing Operations and Possible Increased Competition 39
Governmental Regulation 39
Real Estate Tax Exemptions 40
Required Occupancy Levels and Rents 40
Construction Risks 40
Market for the 2024 Bonds 40
Cleanup Costs and Liens Under Environmental Statutes 40
Risk of Flood and Climate Change 41
Enforceability of Remedies 41
Effect of Determination of Taxability 41
Actual Results May Differ from Market Study and Cash Flow Projection 42
Forward-Looking Statements 42
Uncertainty of Investment Income 43
Consequences of Changes in the Borrower's Tax Status 43
Taxation of 2024 Bonds 43
Bond Insurance Risk Factors 44
Claims-Paying Ability and Financial Strength of Municipal Bond Insurers 44
LITIGATION 44
TAX EXEMPTION AND OTHER TAX MATTERS 45
Federal Tax Exemption 45
Changes in Federal and State Tax Law 46
Pennsylvania Tax Exemption 47

LEGALITY FOR INVESTMENT 47
UNDERWRITING 48
FINANCIAL ADVISOR 48
RATING 49
FINANCIAL STATEMENTS 49
LEGAL MATTERS 49
CONTINUING DISCLOSURE 49
MISCELLANEOUS 50

APPENDIX A FORM OF INDENTURE
APPENDIX B FORM OF LOAN AGREEMENT
APPENDIX C COPY OF GROUND LEASE
APPENDIX D COPY OF COOPERATION AGREEMENT
APPENDIX E COPY OF SERVICE AGREEMENT
APPENDIX F FORM OF BOND COUNSEL OPINION
APPENDIX G FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX H DEBT SERVICE SCHEDULE
APPENDIX I MARKET STUDY
APPENDIX J CASH FLOW PROJECTION
APPENDIX K AUDITED FINANCIAL STATEMENTS
APPENDIX L SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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OFFICIAL STATEMENT

$82,920,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC
Student Housing Project at West Chester
University of Pennsylvania)
Series 2024A

$2,180,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC
Student Housing Project at West Chester
University of Pennsylvania)
Series 2024B (Federally Taxable)

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and the Appendices hereto, is provided to furnish certain information in connection with the sale by the Chester County Industrial Development Authority (the "Issuer") of its Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2024A (the "Series A Bonds") and Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2024B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "2024 Bonds") to be issued by the Issuer pursuant to an Indenture of Trust dated as of October 1, 2024 (the "Indenture") between the Issuer and TD Bank, National Association, as trustee (the "Trustee"), for the purpose of providing funds, together with other available funds, to University Student Housing, LLC (the "Borrower"), a Pennsylvania limited liability company and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), whose sole member is West Chester University Foundation (the "Foundation"), a Pennsylvania nonprofit corporation and an organization described in Section 501(c)(3) of the Code, to finance (i) the current refunding of all of the Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 (the "Refunded Bonds"), (ii) miscellaneous capital expenditures within and for the benefit of the benefit of students attending West Chester University of Pennsylvania (the "University") of the Pennsylvania State System of Higher Education (the "System"), including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "New Money Project"), (iii) necessary reserves, including the funding of all or a portion of debt service reserves, (iv) appropriate credit enhancement or bond insurance, if needed or desired, (v) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds, and (vi) paying the costs of issuance of the 2024 Bonds (collectively, the "Project"). Certain capitalized terms used and not otherwise defined herein are defined in "APPENDIX A—FORM OF INDENTURE—DEFINITIONS."

The proceeds of the Refunded Bonds were used to finance or reimburse, in whole or in part, (i) the acquisition, construction and equipping of student housing facilities in order to provide approximately 1,258 beds, including buildings, furniture, fixtures and equipment (the "Student Housing Facilities") located on the North Campus of the University, (ii) to fund certain amounts for capitalized interest and letter of credit and remarketing fees on the Refunded Bonds, (iii) to fund a debt service reserve fund, and (iv) to pay the costs of issuance of the Refunded Bonds.

The revenues of the Student Housing Facilities will constitute the principal security for the 2024 Bonds. The 2024 Bonds will also be secured by an Open End Leasehold Mortgage and Security Agreement dated on or prior to the date of issue of the 2024 Bonds (the "Mortgage") from the Borrower to the Trustee pursuant to which the Borrower will grant to the Trustee a first priority mortgage lien on

the leasehold interest granted pursuant to the hereafter defined Ground Lease. See "THE MORTGAGE" herein. The real property on which the Student Housing Facilities are located is leased to the Borrower pursuant to a Ground Lease Agreement dated as of March 1, 2008 (as may be amended and supplemented from time to time, the "Ground Lease"), by and between the Borrower and the University. See "THE GROUND LEASE" herein.

The Issuer will lend the proceeds of the 2024 Bonds to the Borrower pursuant to a Loan Agreement dated as of October 1, 2024, between the Issuer and the Borrower (the "Loan Agreement"). The Borrower will be obligated pursuant to the Loan Agreement to pay to the Issuer such payments sufficient to pay when due the principal of, premium, if any, and interest on the 2024 Bonds, and under the Loan Agreement it is the obligation of the Borrower to keep the Student Housing Facilities properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Student Housing Facilities. The Issuer shall have no responsibility for the operation, maintenance, condition or insuring of the Student Housing Facilities.

The Series A Bonds and the Series B Bonds will be secured by a Debt Service Reserve Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Debt Service Reserve Fund" herein.

Pursuant to the Indenture, the Issuer will assign and grant a security interest in all of its rights under the Loan Agreement (except for Reserved Rights, as hereinafter defined) and certain funds and accounts held under the Indenture to the Trustee which, on behalf of the owners of the 2024 Bonds, will exercise all of the Issuer's rights with respect thereto (except for Reserved Rights). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The University and the Borrower have entered into a Master Service Agreement dated as of July 1, 2023 (the "Service Agreement") whereby the University has agreed to provide certain maintenance, residence life and public safety services for the benefit of the Student Housing Facilities. See "THE SERVICE AGREEMENT" herein. The Borrower will assign its rights under the Service Agreement, as they pertain to the Student Housing Facilities, to the Trustee to secure the 2024 Bonds.

Pursuant to the terms of a Cooperation Agreement dated as of March 1, 2008 between the University and the Borrower (the "Cooperation Agreement"), the University has agreed, among other things, subject to the conditions set forth therein, that the Student Housing Facilities will be marketed to students as a part of the marketing of the University's housing program and that the University will, under certain circumstances, limit the use and growth of University-owned housing. See "THE COOPERATION AGREEMENT" herein. The Borrower will assign its rights under the Cooperation Agreement to the Trustee to secure the 2024 Bonds.

The Indenture permits the issuance of additional bonds on a parity with the 2024 Bonds (the "Additional Bonds" and, together with the 2024 Bonds, the "Bonds") if certain conditions are met. See "THE 2024 BONDS—Additional Bonds" herein. Because the Additional Bonds, if issued, will be on a parity with the 2024 Bonds, the holders of the Additional Bonds will be entitled to an equal and ratable claim to the Trust Estate, and will be further secured by the Mortgage.

The Borrower will enter into a Continuing Disclosure Agreement dated as of October 1, 2024 (the "Continuing Disclosure Agreement) with TD Bank, National Association, as dissemination agent for the benefit of the owners of the 2024 Bonds. See "CONTINUING DISCLOSURE" herein.

Concurrently with the issuance of the 2024 Bonds, Build America Mutual Assurance Company ("BAM" or the "Insurer") will issue its Municipal Bond Insurance Policy (the "Policy"). See the caption

"BOND INSURANCE" herein. The Policy guarantees the scheduled payment of principal of and interest on the 2024 Bonds when due as set forth in the form of the Policy included as Appendix L to this Official Statement.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Borrower, the Student Housing Facilities, the University, the 2024 Bonds, the Loan Agreement, the Ground Lease, the Mortgage, the Indenture, the Service Agreement, the Cooperation Agreement and the Continuing Disclosure Agreement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Loan Agreement, the Ground Lease, the Mortgage, the Indenture, the Service Agreement, the Cooperation Agreement and the Continuing Disclosure Agreement (collectively, the "Financing Documents") are qualified in their entirety by reference to such documents, and references herein to the 2024 Bonds are qualified in their entirety to the forms thereof included in the Indenture.

NEITHER THE ISSUER, THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING CHESTER COUNTY, SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON ANY OF THE 2024 BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT UNDERTAKEN BY THE ISSUER EXCEPT TO THE EXTENT THAT THE MONEYS PLEDGED IN THE INDENTURE ARE SUFFICIENT THEREFOR. NO OWNER OF ANY 2024 BONDS HAS THE RIGHT TO COMPEL ANY EXERCISE OF TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHESTER COUNTY, TO PAY THE 2024 BONDS OR THE INTEREST THEREON, AND THE 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING CHESTER COUNTY, OR A LOAN OF CREDIT OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. NO STIPULATION, COVENANT, AGREEMENT OR OBLIGATION CONTAINED IN THE FINANCING DOCUMENTS SHALL BE DEEMED OR CONSTRUED TO BE A STIPULATION, COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE MEMBER, COMMISSIONER, DIRECTOR, TRUSTEE, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER, OR OF ANY INCORPORATOR, MEMBER, COMMISSIONER, DIRECTOR, TRUSTEE, OFFICER, EMPLOYEE OR AGENT OF ANY SUCCESSOR TO THE ISSUER, IN ANY SUCH PERSON'S INDIVIDUAL CAPACITY, AND NO SUCH PERSON, IN HIS INDIVIDUAL CAPACITY, SHALL BE LIABLE PERSONALLY FOR ANY BREACH OR NON-OBSERVANCE OF OR FOR ANY FAILURE TO PERFORM, FULFILL OR COMPLY WITH ANY SUCH STIPULATIONS, COVENANTS, AGREEMENTS OR OBLIGATIONS, NOR SHALL ANY RECOURSE BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON ANY OF THE 2024 BONDS.

SEE "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE 2024 BONDS. EACH PROSPECTIVE INVESTOR SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2024 BONDS.

The proposed form of the Indenture is attached hereto as Appendix A. The proposed form of the Loan Agreement is attached hereto as Appendix B. A copy of the Ground Lease is attached hereto as Appendix C. A copy of the Cooperation Agreement is attached hereto as Appendix D. A copy of the Service Agreement is attached hereto as Appendix E. The proposed form of opinion of Bond Counsel is attached hereto as Appendix F. The proposed form of Continuing Disclosure Agreement is attached hereto as Appendix G. The debt service schedule for the 2024 Bonds is attached hereto as Appendix H.

The Market Study referenced herein is attached hereto as Appendix I. The Cash Flow Projection for the Student Housing Facilities is attached hereto as Appendix J. The audited consolidated financial statements of the Foundation for the fiscal year ended June 30, 2024 is attached hereto as Appendix K. The specimen municipal bond insurance policy is attached hereto as Appendix L.

ESTIMATED SOURCES AND USES OF FUNDS

The schedule below contains the estimated sources and uses of funds resulting from the sale of the 2024 Bonds (exclusive of accrued interest and investment earnings):

	Series A Bonds	Series B Bonds	Total
Sources of Funds:			
Par Amount	$82,920,000.00	$2,180,000.00	$85,100,000.00
Original Issue Discount/Premium	1,876,958.95	-	1,876,958.95
Funds held in connection with the Refunded Bonds[1]	7,091,675.10	5,232,367.94	12,324,043.04
Total Sources of Funds	$91,888,634.05	$7,412,367.94	$99,301,001.99
Uses of Funds:			
Payment of the Refunded Bonds	$77,207,200.00	-	$77,207,200.00
Swap Termination Payments	-	6,734,235.41	6,734,235.41
Deposit to Project Fund	7,000,000.00	-	7,000,000.00
Deposit to Debt Service Reserve Fund[2]	5,314,860.00	619,540.00	5,934,400.00
Bond Insurance Premium	1,023,694.62	19,168.16	1,042,862.78
Costs of Issuance[3]	1,342,879.43	39,424.37	1,382,303.80
Total Uses of Funds	$91,888,634.05	$7,412,367.94	$99,301,001.99

[1]Includes held amounts held in the Bond Fund, Debt Service Reserve Fund and Replacement Fund with respect to the Refunded Bonds.
[2]Equal to the Reserve Requirement for the 2024 Bonds.
[3]Includes Underwriter's Discount.

THE 2024 BONDS

General Description

The 2024 Bonds will bear interest at the rates shown on the inside of the cover page of this Official Statement payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2025 (each, an "Interest Payment Date") until paid, at maturity or earlier redemption, in an amount equal to the interest accrued from the Interest Payment Date next preceding the date of authentication of the 2024 Bond to which interest has been paid or duly provided for, unless such 2024 Bond is authenticated as of an Interest Payment Date on which interest has been paid or duly provided for, in which event it will bear interest from the date of authentication, or if no interest has been paid or duly provided for, it will bear interest from its dated date.

The 2024 Bonds will be issued as fully registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof ("Authorized Denominations").

Payment of the 2024 Bonds

The principal of, premium, if any, and interest on the 2024 Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Payment of the interest on any 2024 Bond shall be payable by check or draft drawn upon the Trustee and mailed to the registered owner of such 2024 Bond at such owner's address as it appears on the Bond Register maintained by the Trustee, or, in lieu thereof, if so requested in a written notice delivered to the Trustee not less than five Business Days prior to the relevant Interest Payment Date by a registered owner of a series of 2024 Bonds in an aggregate principal amount of $1,000,000 or more, by wire transfer to an account in a bank located in the continental United States designated by such registered owner. So long as Cede & Co. is the registered owner of the 2024 Bonds, principal of and interest on the 2024 Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC.

When the date of maturity of interest on or principal of any 2024 Bond or the date fixed for redemption of any 2024 Bond is not a Business Day, then payment of such principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption and no additional interest will accrue as a result.

TD Bank, National Association is Trustee under the Indenture and has designated its corporate trust office in Mt. Laurel, New Jersey as the office at which it will administer its duties as Trustee and the office from which it will make payment on the 2024 Bonds.

Debt Service Schedule for the 2024 Bonds

The debt service schedule for the 2024 Bonds is attached hereto as Appendix H.

Book-entry-only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC, BUT NEITHER THE ISSUER NOR THE BORROWER TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Indenture directs the Issuer, the Trustee, the Borrower and certain other persons to deem and treat the person in whose name any 2024 Bond is registered in accordance with the Indenture on the registration books maintained pursuant to the Indenture as the owner thereof for all purposes. Notwithstanding the above, so long as the 2024 Bonds are held under a book-entry system, transfers and exchanges of beneficial ownership of the 2024 Bonds will be effected on the books of The Depository Trust Borrower ("DTC"), New York, New York or its successor as securities depository for the 2024 Bonds, pursuant to its rules and procedures.

DTC will act as securities depository for the 2024 Bonds. The 2024 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 for each series of the 2024 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a

member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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.

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 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 2024 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 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 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 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Financing Documents. For example, Beneficial Owners of the 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 2024 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 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2024 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 detailed information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, the Borrower or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2024 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor 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 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 2024 Bonds, as DTC's partnership nominee, references herein to the Bondholders or owners or registered owners of the 2024 Bonds shall mean DTC and shall not mean the Beneficial Owners of the 2024 Bonds. During such period, the Trustee and the Issuer will recognize DTC or its partnership nominee as the owner of all of the 2024 Bonds for all purposes, including the payment of the principal of, premium, if any, and interest on the 2024 Bonds, as well as the giving of notices and voting.

THE ISSUER, THE BORROWER AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF THE 2024 BONDS WITH RESPECT TO: (1) THE 2024 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (3) THE PAYMENT OF ANY AMOUNT DUE TO ANY PARTICIPANT OR BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2024 BONDS; (4) THE DELIVERY BY DTC TO ANY DIRECT PARTICIPANT, OR BY ANY PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE 2024 BONDS TO BE GIVEN TO BOND OWNERS; (5) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2024 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Limited Obligations of the Issuer

THE 2024 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY AND ONLY FROM THE TRUST ESTATE AS DESCRIBED HEREIN. THE 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL CREDIT OR THE TAXING POWER OF ANY OF THEM. THE ISSUER HAS NO TAXING POWER.

No owner of any 2024 Bond has the right to compel any exercise of the taxing power (if any) of the Commonwealth of Pennsylvania or of any political subdivision or instrumentality thereof to pay the 2024 Bonds, the interest thereon or any other amount due with respect thereto. The 2024 Bonds are not general obligations of the Commonwealth of Pennsylvania, Chester County, or of any political subdivision or instrumentality thereof, including the Issuer, but are special obligations payable solely from certain amounts payable by the Borrower under the Loan Agreement and other moneys pledged therefor under the Indenture. Neither the Issuer, the University, the Commonwealth of Pennsylvania, Chester County nor any political subdivision or instrumentality thereof has any obligations with respect to the payment of the principal of, premium, if any, interest on or purchase of the 2024 Bonds. The Issuer has no taxing power. The Loan Agreement is a limited obligation of the Borrower payable solely from revenues of the Student Housing Facilities and certain other security pledged therefor.

Additional Bonds

Additional Bonds may be authenticated and delivered from time to time to the extent permitted by law and as provided by a supplemental indenture ranking on a parity as to lien with the 2024 Bonds for the purposes of (i) refunding Bonds previously issued under the Indenture or under a supplemental indenture, or (ii) financing additions, extensions or improvements to the Student Housing Facilities (including, without limitation, such other phases, additions or improvements to the Student Housing Facilities) whether functioning as one or more distinct projects designated by a Borrower Representative to the Trustee and the Issuer. The Issuer shall not issue Additional Bonds unless:

(a) (i) Income Available for Debt Service for the Fiscal Year immediately preceding the Fiscal Year during which such Additional Bonds will become outstanding shall have been at least equal to 120% of the Debt Service Requirement with respect to the Bonds and all proposed Additional Bonds as certified to the Trustee in writing by a Borrower Representative, or (ii) projected Income Available for Debt Service (taking account of projected combined Gross Revenues based upon any additional designations to the Student Housing Facilities) for each of the three Fiscal Years subsequent to the completion of the additions, extensions and improvements to the Student Housing Facilities to be financed with the Additional Bonds shall be at least equal to 120% of the Debt Service Requirement with respect to the Bonds and all proposed Additional Bonds in each future Fiscal Year, as certified in writing to the Trustee by a Consultant, or (iii) the proposed Additional Bonds are refunding debt to be applied to refund or refinance Bonds previously issued and after such refunding or refinancing has been

accomplished, the Maximum Debt Service Requirement shall not increase by more than 10%, as certified in writing to the Trustee by a Borrower Representative, provided, however, that Additional Bonds for refunding purposes may be issued without demonstrating compliance with the test set forth above in this clause (iii) if the Borrower Representative demonstrates compliance with the tests set forth in clause (i) or (ii) above;

(b) none of the Bonds or any Additional Bonds then Outstanding are in default as to the payment of Debt Service; and

(c) the Bond Fund and the Debt Service Reserve Fund must be at their proper respective balances as required under the Indenture.

In each case, the Additional Bonds may include additional funds to pay the costs to be incurred in connection with the issuance of the Additional Bonds, to establish reserves with respect to them, and to pay capitalized interest and other capitalized fees, if any. See "CERTAIN BONDHOLDERS' RISKS—Additional Bonds" herein.

Redemption

Optional Redemption. The Series A Bonds maturing on and after August 1, 2033 are subject to redemption prior to maturity at the option of the Issuer, upon the written direction of the Borrower to the Issuer and the Trustee, on or after August 1, 2032, in whole at any time, or in part at any time and from time to time, in any order of maturity specified by the Issuer, at the written direction of the Borrower. Any such optional redemption shall be made at a redemption price equal to the principal amount of the Series A Bonds to be redeemed plus interest accrued to the date fixed for redemption (provided that if less than all of the Series A Bonds are to be redeemed, the Series A Bonds to be redeemed shall be selected by lot or in such other manner as the Trustee shall determine).

The Series B Bonds are not subject to redemption prior to maturity at the option of the Issuer.

Extraordinary Redemption. The 2024 Bonds are subject to redemption in whole or in part by the Issuer, at the written direction of a Borrower Representative, from Net Proceeds at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the 2024 Bonds being called for redemption through the first optional redemption date, in the event the Student Housing Facilities shall have been sold or disposed of or damaged or destroyed in an amount in excess of $100,000, or there occurs the condemnation of all or substantially all of the Student Housing Facilities or the taking by eminent domain of such use or control of the Student Housing Facilities. Any redemption of less than all of the 2024 Bonds pursuant to the extraordinary redemption provisions shall be applied against each series of 2024 Bonds or maturity of 2024 Bonds within a series on a pro rata basis, unless, on the date of such redemption, such series is no longer outstanding, in which case such redemption will be applied solely to the outstanding series.

Mandatory Sinking Fund Redemption. The 2024 Bonds are subject to mandatory sinking fund redemption prior to maturity in part at a price of 100% of the principal amount thereof plus interest accrued thereon to the redemption date, in the following principal amounts (which include the principal amount that will be outstanding on the date of maturity) and on the dates set forth below:

$44,110,000—4.000% Series A Term Bonds
Maturing on August 1, 2048

August 1 of the Year	Principal Amount
2040	$4,165,000
2041	4,335,000
2042	4,510,000
2043	4,690,000
2044	4,875,000
2045	5,070,000
2046	5,275,000
2047	5,485,000
2048†	5,705,000

†Final Maturity.

$2,180,000—5.200% Series B Term Bonds
Maturing on August 1, 2029

August 1 of the Year	Principal Amount
2026	$505,000
2027	530,000
2028	560,000
2029†	585,000

†Final Maturity.

The principal amount of 2024 Bonds of any series so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the 2024 Bonds of the same maturity as those subject to mandatory redemption (a) surrendered uncancelled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date, (b) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to the optional or extraordinary redemption provisions of the Indenture or (c) purchased by the Trustee out of moneys in the Bond Fund in accordance with the Indenture, if in each case such 2024 Bonds shall not have previously served as the basis for any such reduction.

Notice of Redemption. Notice of the call for redemption, identifying the 2024 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 at least 30 days but not more than 60 days prior to the date fixed for redemption to the Owner of each 2024 Bond to be redeemed in whole or in part at the address shown on the registration books. The Indenture provides that any notice mailed as described shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Any notice of redemption may, on the written request of the Borrower, state (i) that the redemption to be effected is conditioned on 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 2024 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 are not received or

are not legally available or if the notice is rescinded, such notice will be of no force or effect and such 2024 Bonds will not be required to be redeemed.

Failure to mail any such notice, or the mailing of a defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 2024 Bonds being redeemed; (ii) the date of issue of the 2024 Bonds as originally issued; (iii) the rate of interest borne by each 2024 Bond being redeemed; (iv) the maturity date of each 2024 Bond being redeemed; (v) the series designation; and (vi) any other descriptive information needed to identify accurately the 2024 Bonds being redeemed including the pro rata redemption as specified by the Borrower. Each further notice of redemption shall be sent at least 15 days before the redemption date by electronic notification, facsimile or such other method as then customarily used, to all of the registered securities depositories then in the business of holding substantial amounts of bonds of the type comprising the 2024 Bonds.

Partial Redemption. Upon surrender of any 2024 Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Owner thereof a new 2024 Bond or 2024 Bonds of authorized denominations, of the same series, interest rate and maturity date, in an aggregate principal amount equal to the unredeemed portion of the 2024 Bond surrendered.

Transfers of 2024 Bonds

Upon surrender for transfer of any 2024 Bond at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new 2024 Bond or 2024 Bonds of such series in authorized denominations for a like aggregate principal amount and bearing the same maturity date.

The Trustee shall not be required to exchange or register a transfer of (i) any 2024 Bonds during the 15 day period next preceding the selection of 2024 Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of 2024 Bonds selected for redemption, or (ii) any 2024 Bonds selected, called or being called for redemption in whole or in part except, in the case of any 2024 Bond to be redeemed in part, the portion thereof not so to be redeemed.

The Trustee may require payment by the Owner of the 2024 Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2024 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the 2024 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2024 Bonds when due as set forth in the form of the Policy included as Appendix L to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

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

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

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2024 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2024 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2024 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2024 Bonds, nor does it guarantee that the rating on the 2024 Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $232.7 million and $253.3 million, respectively.

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

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

BAM makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and

does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

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

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

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2024 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2024 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2024 Bonds, whether at the initial offering or otherwise.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations of the Issuer

THE 2024 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY AND ONLY FROM THE TRUST ESTATE AS DESCRIBED HEREIN. THE 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE

UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL CREDIT OR THE TAXING POWER OF ANY OF THEM. THE ISSUER HAS NO TAXING POWER.

Mortgage and Assignments

As security for its obligations under the 2024 Bonds, the Loan Agreement and the Indenture, the Borrower will execute and deliver to the Trustee for the benefit of the Bondholders the Mortgage pursuant to which the Borrower will grant to the Trustee a first priority mortgage lien on the Borrower's leasehold interest in the real property on which the Student Housing Facilities are constructed. Pursuant to the Loan Agreement, the Borrower has pledged and granted a lien upon and security interest in and assigned the Gross Revenues and has collaterally assigned and pledged the Ground Lease, the Mortgage, the Cooperation Agreement and the Service Agreement and all of its rights thereunder to the payment of all sums due under the Loan Agreement (subject to the Issuer's Reserved Rights) and under the Mortgage.

Pledge and Assignment of Trust Estate

The Trust Estate, from which the 2024 Bonds and any Additional Bonds are payable, includes (i) all right, title and interest of the Issuer (except for Reserved Rights) in and to the Loan Agreement, the Mortgage, the Ground Lease, the Assignment of Rents and Leases, the Service Agreement and the Cooperation Agreement, including, but not limited to, the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement or any such other agreement, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Loan Agreement or any such other agreement, (ii) all right, title and interest of the Issuer in and to the Gross Revenues, (iii) all right, title and interest of the Issuer in and to all moneys and securities from time to time held by the Trustee under the terms of the Indenture, provided that moneys held in the Rebate Fund may be applied only as provided in the Indenture, (iv) any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected to the Indenture, as and for additional security by the Borrower or any other person on its behalf or with its written consent or by the Issuer or any other person on its behalf or with its written consent, and (v) all cash and non-cash proceeds of any insurance and condemnation proceeds relating to the collateral described in (i) through (iv) above.

The Loan Agreement is a limited obligation of the Borrower, payable solely from Student Housing Facilities revenues and certain other security pledged therefor.

The lien and security interest granted and created by the Indenture is, upon the occurrence of a Default, subject to a prior lien to secure the payment of all fees and expenses of the Trustee.

Because of certain risks associated with pledging and granting a security interest in collateral of the nature described above, potential investors should not rely solely upon such collateral as providing security for the 2024 Bonds. See "CERTAIN BONDHOLDERS' RISKS—Pledge, Assignment and Grant of Security Interest in Future Revenues" herein.

The Trustee

The obligations and duties of the Trustee are described in the Indenture, and the Trustee has undertaken only those obligations and duties which are expressly set forth in the Indenture. The Trustee has not independently passed upon the validity of the 2024 Bonds, the security therefor or the adequacy of the provisions for payment thereof. The Trustee has relied upon the approving opinion of Dilworth Paxson LLP, Philadelphia, Pennsylvania, Bond Counsel, for the validity of the 2024 Bonds, as well as other matters set out in that opinion. The Indenture expressly provides that the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted in good faith in reliance upon an opinion of counsel.

Under the terms of the Indenture, the Trustee is liable only for those damages caused by its gross negligence or willful misconduct. Under the Indenture, the Trustee is not required to take notice or be deemed to have notice of any Default under the Indenture, except for default in the payment of interest, principal of, or premium, when due at maturity, earlier redemption or acceleration, unless the Trustee has been specifically notified in writing of such Default by the Issuer or the owners of at least 45% in aggregate principal amount of the Outstanding Bonds. All notices or other instruments required by the Indenture to be delivered to the Trustee must be delivered at the designated corporate trust office of the Trustee. In the absence of any such notice, the Trustee may conclusively assume that no Default exists, except as expressly stated above and in the Indenture.

Flow of Funds and Funds and Accounts Established Under the Indenture

The Indenture provides for the following funds to be established with the Trustee: Pledged Revenue Fund, Rebate Fund, Bond Fund, Project Fund, Debt Service Reserve Fund, Operation and Maintenance Fund, Replacement Fund, and Surplus Fund. The 2024 Bonds are secured by all moneys and securities from time to time held by the Trustee under the terms of the Indenture (provided that moneys held in the Rebate Fund may only be applied as provided in the Indenture). A description of such funds and the application and use of revenues thereunder is set forth in "APPENDIX A—FORM OF INDENTURE—REVENUES AND FUNDS."

Debt Service Reserve Fund

Moneys in the various accounts of the Debt Service Reserve Fund shall be used only for the purpose of the payment of Debt Service on the related series of Bonds when the moneys in the Bond Fund, the Surplus Fund, the Subordinated Expenses Account, the Replacement Fund and the Pledged Revenue Fund are insufficient therefor and for no other purpose. Notwithstanding the foregoing, any moneys remaining in the Series B Debt Service Reserve Account of the Debt Service Reserve Fund after the Series B Bonds are no longer Outstanding, shall be applied to the Series A Debt Service Reserve Account of the Debt Service Reserve Fund.

Title and Property Insurance

A mortgagee's title insurance policy or a commitment therefor will be delivered in the amount of not less than the original principal amount of the 2024 Bonds (less the amount of the Series A Reserve Requirement and Series B Reserve Requirement) to insure that the Trustee will have a valid first priority mortgage lien on the leasehold interest in the real property on which the Student Housing Facilities is located, subject only to permitted encumbrances and the standard exclusions from the coverage of such policy. Under such title insurance policy, the Trustee is not permitted to recover more than the fair market value of any property which is lost as a result of a title defect. The Borrower has agreed in the Loan Agreement to keep the Student Housing Facilities insured against fire and other casualties and to

maintain certain specified amounts of liability and business interruption insurance, all as provided in the Ground Lease and the Mortgage.

Enforceability of Remedies

The realization of value from the leasehold interest and personal property comprising the Student Housing Facilities and from the other security for the 2024 Bonds upon any default will depend upon the exercise of various remedies specified by the Financing 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 "—Pledge, Assignment and Grant of Security Interest in Future Revenues" herein.

THE MORTGAGE

The Borrower grants to the Trustee pursuant to the Mortgage, for the benefit of the Bondholders, a leasehold security interest in the Mortgaged Premises and a security interest in the improvements, the equipment, the rents, licenses related to the Student Housing Facilities and various other assets related thereto (all as described more fully in the Mortgage). The Borrower further covenants and warrants in the Mortgage that: (i) it has a leasehold interest in the Mortgaged Premises; and (ii) it will, among other things, comply with the laws of the jurisdiction applicable to the Student Housing Facilities, pay all taxes and charges when due, maintain acceptable insurance, maintain the Student Housing Facilities and the books and records thereof and will not transfer the Student Housing Facilities. The Mortgage provides, among other things, that a default under the Loan Agreement is a default under the Mortgage and may be remedied by foreclosure.

THE ISSUER

The Issuer, a public instrumentality of the Commonwealth of Pennsylvania, is a body corporate and politic created by resolution of the Board of County Commissioners of Chester County. The Issuer was incorporated under the Pennsylvania Economic Development Financing Law, 73 P.S. § 371 et seq. (the "Act"), as amended. The Issuer was incorporated pursuant to the Act on May 19, 1969.

The Issuer is authorized by the Act to enter into agreements providing for the construction and financing of, among other things, education facilities in order to effectuate the declared public policy of the Commonwealth of Pennsylvania of creating and preserving employment and business opportunities and general welfare of the people thereof.

The Issuer has authorized the issuance of the 2024 Bonds for the purpose of financing the Project, the lending of the proceeds of the 2024 Bonds to the Borrower and to securing the 2024 Bonds pursuant to the Loan Agreement between the Borrower and the Issuer in respect of the Project.

The governing body of the Issuer is a Board consisting of nine members appointed by the Board of County Commissioners of Chester County. The current members are:

Louis B. Kupperman	Chairman
Susan L. Springsteen	Vice Chairman
Roger N. Huggins	Treasurer
Kathi Cozzone	Secretary
Michael DeHaven	Member
Neal E. Fisher	Member
Vince Gillen	Member
Dan K. Williams	Member
David W. Moser	Member

The staff of the Issuer consists of the following individuals:

Member	Office
Gary W. Smith	Executive Director, Assistant Secretary
Michael L. Grigalonis	Assistant Executive Director, Assistant Secretary
Lori Pickford	Business Outreach Manager, Assistant Secretary

THE 2024 BONDS, INCLUDING INTEREST AND PREMIUM, IF ANY, THEREON, SHALL CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE UNIVERSITY, THE UNIVERSITY'S COUNCIL OF TRUSTEES, THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA OR ITS BOARD OF GOVERNORS, CHESTER COUNTY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THE GENERAL CREDIT OR THE TAXING POWER OF ANY OF THEM. THE ISSUER HAS NO TAXING POWER. THE 2024 BONDS AND THE INTEREST AND PREMIUM, IF ANY, THEREON SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE.

The Issuer has previously issued bonds for the purpose of financing other projects for other borrowers which are payable from revenues received from such other borrowers. Revenue bonds issued by the Issuer for other borrowers have been, and may be, in default as to principal or interest. The source of payment for other bonds previously issued by the Issuer for other borrowers is separate and distinct from the source of payment for the 2024 Bonds, and, accordingly, any default by any such other borrower with respect to any of such other bonds is not considered a material fact with respect to the payment of the 2024 Bonds.

STUDENT HOUSING FACILITIES

Description of the Student Housing Facilities

The Student Housing Facilities consist of 1,258 beds developed on the North Campus in two buildings (known as Allegheny Hall and Brandywine Hall). The Student Housing Facilities were built on land currently owned by the University that is leased to the Borrower pursuant to a Ground Lease between the Borrower and the University dated as of March 1, 2008 (the "Ground Lease") for a period exceeding the term of the 2024 Bonds by approximately 5 years. A range of price options and room types are available, each offering modern living facilities. Amenities include fully furnished units with high grade furniture, bathrooms in each unit, free laundry facilities on each floor, high speed wireless internet access linked directly to the University's computer system, sprinkler system and fire/smoke alarms, in-unit climate control, lounge space, movie theater, community full kitchen, fitness center, and water refilling stations. The Student Housing Facilities are a medium-density community. The buildings are

seven stories tall with full or partial basements. The primary framing materials are concrete and masonry. A portion of each building is being subleased to the University for information technology workspace, academic programming and storage space as further described under "THE GROUND LEASE—Sublease by University."

Unit Configurations and Rents

Unit Type	Number of Units	Beds Per Unit	Number of Beds	Semester Rents[(1)]
2 Person Shared Semi Suite (Unit 1)	429	2	858	$ 5,559
4 Person Shared Suite Living Room (Unit 3)	53	4	212	5,810
2 Person Private Suite Living Room (Unit 4)	34	2	68	5,910
6 Person Private Suite Living Room (Unit 4)	20	6	120	5,180
Total	536		1,258	

[(1)]Assumes 10-month rental contracts and 2024 dollars.

A portion of the proceeds of the 2024 Bonds will be used to finance certain capital expenditures within and for the benefit of the Student Housing Facilities for the repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements. Brandywine Hall and Allegheny Hall will receive new lighting and electrical upgrades in certain areas, renovated bathrooms, new furnishings in common areas, lounges, conference rooms, laundry rooms and dorm rooms. HVAC system upgrades and roof upgrades will be made to both Brandywine Hall and Allegheny Hall. No units are expected to be taken offline during the repair and renovations.

Occupancy Rates

Occupancy figures for the most recent 5 years for the Student Housing Facilities are listed below. Included are both the design capacity and the total number of students assigned to the Student Housing Facilities housing at the beginning of each fall semester.

Fall Semester Housing Statistics

	Designed Capacity	Total Number Assigned	Percentage Occupied
Fall 2024	1,258	1,279	101.67%
Fall 2023	1,258	1,265	100.56%
Fall 2022	1,258	1,262	100.32%
Fall 2021	1,258	1,256	99.8%
Fall 2020*	1,258	0	0.0%

* All on campus housing was closed as a result of the COVID pandemic.

As of August 1, 2024, over 100% of units in the Student Housing Facilities are the subject of student contracts to reside in the facilities for the Fall 2024 semester.

Historical Performance

The following table shows the historical performance of the Student Housing Facilities for the preceding five Fiscal Years:

Historical Cash Flow - Allegheny and Brandywine Halls

	For the Fiscal Years ending June 30,				
	2020	**2021***	**2022**	**2023**	**2024**
Net Rental Income	**$9,929,297**	**$490,884**	**$13,335,605**	**$13,625,410**	**$13,671,214**
Other Income	464,647	345,162	461,182	511,606	476,865
Investment Income	197,027	4,197	6,684	380,170	696,857
Total Other Income	**661,674**	**349,359**	**467,866**	**891,776**	**1,173,722**
Total Revenue	**10,590,971**	**840,243**	**13,803,471**	**14,517,186**	**14,844,936**
Salary and Benefits	993,905	152,896	668,934	704,564	763,372
Bad Debt Expense	4,570	(10,000)	219,682	45,611	56,858
Office Expense and Subscriptions	254,343	111,960	230,097	150,743	145,688
Events, travel, meals and entertainment	1,564	290	1,108	802	2,110
Insurance and Property Tax	208,879	202,440	296,771	323,165	342,778
Legal and Audit	68,264	64,366	24,403	43,610	32,991
Contributions and Sponsorships	84	-	-	-	-
Postage and Printing	1,625	715	395	453	282
Repairs and Maintenance	1,006,548	487,333	933,185	987,106	1,064,318
Ground Lease and other rental operating and Turnover	525,958	54,467	258,821	399,270	438,926
Scholarships and Subsidized Housing	415,877	19,850	457,251	500,336	545,416
Utilities	597,151	208,334	588,541	540,264	683,595
Operating Expenses	**4,078,768**	**1,292,651**	**3,679,188**	**3,695,924**	**4,076,334**
Replacement Reserve Fund Deposits	**312,770**	**32**	**331,817**	**341,772**	**352,025**
Net Operating Income	**6,199,433**	**(452,440)**	**9,792,466**	**10,479,490**	**10,416,577**
2008 Principal	2,085,000	2,170,000	2,270,000	2,365,000	2,470,000
2008 Interest	3,638,224	3,563,009	3,475,260	3,393,854	3,238,919
Series 2008 Debt Service	**5,723,224**	**5,733,009**	**5,745,260**	**5,758,854**	**5,708,919**
Debt Service Coverage Ratio	**1.08**	**(0.08)**	**1.70**	**1.82**	**1.82**
WCU Debt Service	209,375	184,431	224,490	161,626	89,067
WCU Service Agreements	1,075,402	2,119	891,161	883,704	1,029,184
WCU Ground Rent	9,485	9,770	10,063	10,365	10,676
Total Subordinated Expenses	**1,294,262**	**196,320**	**1,125,714**	**1,055,695**	**1,128,927**
Excess Cash Flow	**(818,053)**	**(6,381,769)**	**2,921,492**	**3,664,941**	**3,578,731**

* All on campus housing was closed as a result of the COVID pandemic.

The Cooperation Agreement

The University and the Borrower have entered into a Cooperation Agreement dated as of March 1, 2008, whereby the University agreed to cooperate with the Borrower in the marketing of the Student Housing Facilities and will, under certain circumstances, limit the use and growth of University-owned housing. A copy of the Cooperation Agreement between the University and the Borrower is attached hereto as Appendix D.

The Service Agreement

The University and the Borrower have entered into a Master Service Agreement dated as of July 1, 2023, whereby the Borrower agreed to engage the University to provide certain services at the Student Housing Facilities, such as residence life and public safety services, which are not otherwise provided by the Borrower. Pursuant to the Service Agreement, a portion of the fees payable to the University for security services at the Student Housing Facilities are subordinated. A copy of the Service Agreement is set forth in Appendix E.

Property Condition Report

A Property Condition Report was prepared with respect to the Student Housing Facilities by AEI Consultants dated as of August 5, 2024 and found the Student Housing Facilities to be in overall good condition. The Property Condition Report speaks only as of its date and has not been updated following the date thereof. Copies of the Property Condition Report are available from the Underwriter upon request for informational purposes only.

MANAGEMENT OF THE STUDENT HOUSING FACILITIES

The Borrower manages the Student Housing Facilities. To the extent the Borrower deems it necessary or appropriate, the Borrower will hire third parties to provide certain management-related services to or on behalf of the Borrower. In addition, the Borrower will have the ability to hire a third-party manager to manage the Student Housing Facilities.

CASH FLOW PROJECTION

A Cash Flow Projection (the "Cash Flow Projection") relating to the Student Housing Facilities and the Borrower's ability to generate revenues from operations of the Student Housing Facilities sufficient to pay principal of and interest on the 2024 Bonds for each of the years ending June 30, 2025 through 2048 has been prepared by the Borrower and is attached as Appendix J. None of the Issuer, the University, the Trustee, the Financial Advisor or the Underwriter make any representations with respect to the Cash Flow Projection or the ability of the Borrower to pay amounts under the Loan Agreement sufficient to satisfy the principal, premium, if any, and interest due on the 2024 Bonds. The Cash Flow Projection has not been reviewed, compiled or examined by an accountant. 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. Such variation could be material. See "CERTAIN BONDHOLDERS' RISKS—Actual Results May Differ from Market Study and Cash Flow Projection" and "—Forward Looking Statements."

The Cash Flow Projection assumes that the 2024 Bonds will be issued in the aggregate principal amount of $85,100,000 and are structured to produce approximately level net debt service. The Cash Flow Projection assumes interest earnings of 4.00% in the Debt Service Reserve Fund. Bond proceeds

will be deposited in the appropriate funds as summarized in the "ESTIMATED SOURCES AND USES OF FUNDS."

Rental revenues estimated in the Cash Flow Projection are based on rents for each unit type presented under the heading "STUDENT HOUSING FACILITIES—Description of the Project." The Cash Flow Projection assumes that the beds in the Student Housing Facilities will be occupied for 10-month periods with additional summer income in the amounts set forth therein. The Cash Flow Forecast assumes a 95% occupancy rate for the Student Housing Facilities. In addition to regular estimated costs of operating the Student Housing Facilities, the Cash Flow Projection includes an annual replacement reserve deposit initially equal to $290 per bed and increasing in accordance with the provisions of the Indenture thereafter. Income and expense estimates are escalated at an assumed rate of 3% per annum beginning in fiscal year 2025-2026.

IF ACTUAL INTEREST RATES, PRINCIPAL PAYMENTS AND FUNDING REQUIREMENTS DIFFER FROM THOSE ASSUMED IN THE CASH FLOW PROJECTION, THE CASH FLOW PROJECTION COULD BE ADVERSELY AFFECTED, SOME ASSUMPTIONS WHICH SERVED AS A BASIS FOR THE CASH FLOW PROJECTION INEVITABLY WILL NOT MATERIALIZE AND UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY OCCUR; THEREFORE, THERE WILL USUALLY BE DIFFERENCES BETWEEN PROJECTED AND ACTUAL RESULTS AND THOSE DIFFERENCES MAY BE MATERIAL.

THE GROUND LEASE

The following is a summary of certain provisions of the Ground Lease pursuant to which the real property underlying the Student Housing Facilities has been leased to the Borrower by the University. This summary is not a complete recital of the terms of the Ground Lease and is qualified in its entirety by the terms of the Ground Lease which are incorporated by reference herein. The Ground Lease, without the attachments thereto, is attached in APPENDIX C hereto.

General Lease Terms

The term of the Ground Lease commenced on March 25, 2008 and will expire on July 1, 2053 (subject to prior termination if all leasehold mortgages (as such term is defined in the Ground Lease) are discharged). Pursuant to the Ground Lease, the University leases to the Borrower the real property on which the buildings comprising the Student Housing Facilities are located. The leased property is the "footprint" of the Student Housing Facilities. The real property subject to the Ground Lease does not include any dedicated parking spaces.

Rent

Pursuant to the Ground Lease, annual rental payments of $10,996 (increased every year by 3%) ("Base Rent") are due annually in arrears from the Borrower.

In addition to the payment of Base Rent, the Borrower will agree to pay when due, any and all other sums of money required to be paid by the Borrower under the Ground Lease ("Additional Rent" and, together with Base Rent, "Rent"). Except as otherwise provided therein, all payments of Additional Rent shall be due within 30 days after the Borrower's receipt of the University's written demand therefor. In addition, the Borrower will be required to make no more than 31 beds in the Student Housing Facilities available without charge to student advisors, resident directors, resident assistants or resident managers.

In addition, the Borrower will be required to pay to the University annually, as Additional Rent, a system fee (the "System Fee") equal to 0.5% of that portion of the Gross Revenue constituting the actual room rental charges collected for the Student Housing Facility in each Lease Year.

Subordination of Rent

The University's right to the payment of Rent (other than the System Fee) shall be subordinated to payments due with respect to the 2024 Bonds and shall be subject to the restrictions set forth in the Indenture and the failure to make such payments when the same become due as a result of such subordination shall not constitute an Event of Default under the Ground Lease. Any Rent which is not paid as a result of such subordination shall remain due and owing with interest thereon and shall be paid to the University prior to the payment to the Borrower of its share of any Net Available Cash Flow.

Limitations on Use

The Ground Lease requires that the Student Housing Facilities be used solely for the operation of a housing facility to serve students of the University and people attending camps, conferences and similar events occurring at the University and for such other uses as the University and the Borrower may agree. Residents of the Student Housing Facilities are required to purchase one of the University's meal plans, and no alcoholic beverages are allowed at the Student Housing Facilities.

Leasehold Mortgages

The Ground Lease permits leasehold mortgages approved by the University (including the Mortgage) and, among other things, grants the holders of such mortgages the right to cure defaults by the Borrower. The Ground Lease further provides that an approved mortgagee may, upon termination of the Ground Lease by the University by reason of the occurrence of an Event of Default thereunder, require the University to enter into a new Ground Lease, on the same terms, with such mortgagee.

Defaults and Remedies

The occurrence of any of the following will constitute a material default and breach of the Ground Lease by the Borrower (an "Event of Default"):

(a) a failure by the Borrower to pay any Rent when due under the Ground Lease;

(b) a failure by the Borrower after written notice to fully observe and perform the provisions or covenants of the Ground Lease relating to assignment and subletting;

(c) a failure by the Borrower to fully observe and perform any other provision or covenant of the Ground Lease to be observed or performed by the Borrower, where such failure continues for 30 days after written notice thereof from the University to the Borrower or, if such failure cannot be cured within such 30 day period and the University will not be materially harmed by such delay, for such longer period as may be required for such cure so long as such cure is commenced within such 30 day period and diligently prosecuted to completion; or

(d) the making by the Borrower of any assignment for the benefit of creditors; the filing by or against the Borrower of a petition under any bankruptcy, insolvency, reorganization or other similar Governmental Rule (unless, in the case of a petition filed against the Borrower, the same is dismissed within 90 days after the filing thereof); the appointment of a trustee or receiver to take possession of substantially all of the Borrower's assets located in the Student

Housing Facilities or of the Borrower's interest in the Ground Lease (unless possession is restored to the Borrower within 90 days after such appointment); or the attachment, execution or levy against, or other judicial seizure of, substantially all of the Borrower's interest in the Ground Lease (unless the same is discharged within 90 days after the issuance thereof).

Upon the occurrence of an Event of Default but subject to the provisions relating to the rights of the Leasehold Mortgagees, the University may pursue one or more of the following options:

(a) The University may accelerate the Base Rent due under the Ground Lease for the remainder of the term by written notice to the Borrower to such effect, whereupon such Base Rent shall be immediately due and payable.

(b) The University may terminate the Ground Lease by written notice to the Borrower to such effect, whereupon the Borrower shall immediately surrender the Student Housing Facilities to the University in accordance with the Ground Lease, and the University shall be entitled to commence an action to recover all damages incurred by it on account of such Event of Default and termination.

(c) The University may enter the Student Housing Facilities (with process of law and without such entry being constituted an eviction of the Borrower or a termination of the Ground Lease) and take possession of any equipment, fixtures, furniture and other personal property of the Borrower situated at the Student Housing Facilities, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving the Borrower reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale the University or its assigns may purchase such property unless otherwise prohibited by law. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the aforesaid property (including, without limitation, reasonable attorneys' fees), shall be applied against the obligations of the Borrower under the Ground Lease. Any surplus shall be paid to the Borrower or as otherwise required by law, and the Borrower shall pay any deficiencies forthwith.

(d) The University may enter the Student Housing Facilities (with process of law and without such entry being constituted an eviction of the Borrower or termination of the Ground Lease) and take possession of the Student Housing Facilities and, at any time at its sole option relet the Student Housing Facilities or any part thereof for the account of the Borrower, for such terms, upon such conditions and at such rental as the University may elect. In the event of such reletting (i) the University shall receive and collect the rent therefrom and shall first apply such rent against such expenses as the University may at any time or from time to time have incurred in recovering possession of the Student Housing Facilities, placing the same in good order and condition, altering or repairing the same for reletting and such other expenses, commissions and charges, including, without limitation, brokers' and attorneys' fees, which the University may at any time or from time to time have paid or incurred in connection with such repossession and reletting, and then shall apply such rent against the Borrower's other obligations to the University hereunder, and (ii) the University may execute any agreement in connection with such reletting in the University's name or in the Borrower's name, as the University may see fit, and the resident of such reletting shall be under no obligation to see to the application by the University of any rent collected by the University, nor shall the Borrower have any right to collect any rent under such reletting. No reentry by the University shall be deemed to be an acceptance of a surrender by the Borrower of the Ground Lease or of the Student Housing Facilities.

Option to Purchase

At any time during the term of the Ground Lease, the University shall have the option to purchase the Student Housing Facilities at their fair market value (but not less than an amount necessary to prepay or defease the 2024 Bonds, if the 2024 Bonds are not or cannot be assumed by the University).

Sublease by University

Pursuant to the Ground Lease, the University has subleased from the Borrower certain space in the basement level of each building comprising the Student Housing Facilities, for the educational purposes of the University, including, without limitation, offices, classrooms, computer repair services for students of the University and other uses agreed upon by the Borrower. Rent for the subleased space is $20 per year, payable in advance. The University will also be responsible for paying, in cash within 30 days of receipt of a statement therefor from the Borrower, its monthly allocable share of utilities. The University and the Borrower may, subject to the requirements of the Financing Documents, set off any rental payments owing under the sublease against other amounts owing the University under the Ground Lease.

THE COOPERATION AGREEMENT

Pursuant to the Cooperation Agreement, the University has agreed, among other things, that the Student Housing Facilities will be marketed to students as a part of the marketing of the University's housing program. The University has also agreed to allow the Student Housing Facilities to be connected to the University's campus computer system and to be afforded the benefits of University campus parking and security.

The University will not undertake to construct, own, operate or otherwise support any additional new on-campus or University affiliated, University sponsored or University supported off-campus student facility housing for its students that results in a net increase in beds (a "**Competing Facility**") unless: (i) the average academic year occupancy (excluding the summer term) of the Student Housing Facilities and all other student housing facilities on the campus of the University during the current academic year is at least ninety percent (90%); (ii) the fixed charge service coverage ratio for the most recently ended fiscal year was at least 1.20; and (iii) a market study prepared by an independent consultant demonstrates sufficient demand for a Competing Facility. A copy of the Cooperation Agreement is set forth in Appendix D.

THE SERVICE AGREEMENT

Pursuant to a Master Service Agreement between the University and the Borrower, the University has agreed to provide residence life, public safety, and other services for the Student Housing Facilities. A copy of the Service Agreement is set forth in Appendix E.

THE BORROWER

University Student Housing, LLC, was organized on October 24, 2002 as a Pennsylvania limited liability company whose sole member is West Chester University Foundation (the "Foundation"). The Foundation is a Pennsylvania nonprofit corporation which was incorporated on August 11, 2000 and has been determined to be exempt from federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Borrower obtained a determination letter from the Internal Revenue Service, dated July 16, 2004, recognizing it as an exempt organization under Section 501(c)(3) of the Code.

Officers and Board of Managers of the Borrower

Any information presented herein concerning the Foundation is presented only as it may be relevant to a complete understanding of the Borrower. However, the Foundation has no obligation with respect to the payment of debt service on the 2024 Bonds. The 2024 Bonds are payable solely from the Trust Estate.

The Borrower is governed by a Board of Managers that consists of no fewer than 15 nor more than 39 members who serve ex officio by virtue of their positions as Trustees of the Foundation. The Foundation's Board of Trustees consists of (i) six ex officio Trustees, five of whom serve by virtue of respective positions within the University and (ii) not less than nine nor more than 33 Class Trustees who are divided into approximately three equal classes, each containing up to 11 individuals. The term of office of one class expires each year. Vacancies in the Foundation's Class Trustees are filled by the remaining members of the Foundation Board for the balance of the unexpired term. Otherwise, members of the Foundation's Board serve a term of three years.

The following are the names and occupations of the Managers and principal officers of the Borrower.

Name	Occupation	Office
Deborah J. Chase	US Army, ret.	President
Thomas E. Mills, IV	President, Kratos C5ISR Modular Systems Division	Vice President
Thomas A. Fillippo	President, Devault Foods	Council of Trustees Representative
William Scottoline	Assoc. Director, Field Sales (ret.), Merck & Co. Inc.	Treasurer
Matthew Holliday	Executive Director, Pennsylvania Bar Association	Secretary
Debra G. Cornelius	Executive Director, University Student Housing, LLC	Executive Director
Christina Gerenza	WCU Foundation	Assistant Treasurer and Chief Financial Officer
Dawn Swope Apgar	Associate Professor & Director, Social Work, Seton Hall University	Trustee
John H. Baker	Professor Emeritus, Art & Design, West Chester University	Trustee
R. Lorraine Bernotsky	President, West Chester University	Trustee
Eric K. Bossard	President, Commonwealth Insurance Advantage	Trustee
Jasmine Buxton	VP for Student Affairs, West Chester University	Trustee
Zebulun R. Davenport	VP for Advancement and External Affairs, West Chester University	Trustee
David L. Flamer	West Chester Area Schools	Trustee
Karen Collins Gibson	Adjunct Professor (ret.) Temple University and Delaware County Community College	Trustee

Name	Occupation	Office
Dr. Maury Hoberman	Physician (ret.)	Trustee
Michael Hudson	STAND Financial Services	Committee Advisor
Jessica E. Kienle	Schwab Advisor Services	Trustee
Michael A. Mele	Cushman & Wakefield	Trustee
Todd E. Murphy	VP for Administration and Finance, West Chester University	Trustee
Evan Murray	PGIM Fixed Income	Trustee
Tahany Naggar	Professor Emerita, Economics, West Chester University	Trustee
Jacqui North	GlaxoSmithKline	Trustee
Jeffery L. Osgood, Jr.	Provost, West Chester University	Trustee
Douglas A. Pacitti	Fischer Cunnane & Associates	Trustee

The Borrower employs 18 full-time professional staff, 1 part-time professional staff, and approximately 40 part-time student workers. The Borrower owns and operates six housing facilities (four projects) totaling approximately 2,962 rental beds located on the campus of the University (see "THE UNIVERSITY—Current University Housing Program" for summary descriptions of the Borrower's other projects). The 2024 Bonds are not secured by any other projects of the Borrower.

The Borrower is currently managing all of the beds under its ownership, and the Borrower has managed and will continue to manage the Student Housing Facilities. Over the last 5 years, the Borrower has had an average of less than 1.00% of bad debt expense annually.

Bad Debt Expense History
(2020-2024)

	2020	2021	2022	2023	2024
Total Revenues	23,363,859	3,850,922	30,985,065	31,752,445	32,120,720
Bad Debt Expense	47,517	18,436	475,598	65,989	158,587
% of Revenue	.20%	.48%	1.53%	.21%	.49%

The Borrower has long-term outstanding debt as of October 1, 2024 in the amount of $169,956,884 consisting of:

Project	Financing Date	Debt Type	Par Outstanding	Final Maturity
Allegheny and Brandywine	2008	Synthetic Fixed	$76,160,000*	2/1/2043
East Village	2012	Bank Loan	15,191,899	8/1/2044
University Hall and the Village	2003 - 2013	Bank Loan	23,775,319	8/1/2035
Commonwealth Hall	2013	USDA / Bonds	48,930,942	12/14/2056
The Village Restoration	2021	Bank Loan	5,898,724	8/1/2035

* To be refinanced with proceeds of the 2024 Bonds.

See the audited consolidated financial statements of the Foundation for the fiscal year ended June 30, 2024 attached hereto as Appendix K.

The Borrower is *not* a single-purpose entity and has, and may have in the future, activities unrelated to the Student Housing Facilities and obligations unrelated to the 2024 Bonds. See the heading "THE UNIVERSITY—Current University Housing Program" herein.

Under applicable State law and the federal Bankruptcy Code, the Borrower is treated as a legal entity that is separate and distinct from the University and the Foundation and is the only entity obligated to make payments due under the Loan Agreement corresponding to the amounts due on the 2024 Bonds and the other Bonds issued under the Indenture. The obligations of the Borrower with respect to the 2024 Bonds are nonrecourse obligations, payable only from the revenues generated by the Student Housing Facilities. See "NONRECOURSE OBLIGATIONS OF THE BORROWER."

NONRECOURSE OBLIGATIONS OF THE BORROWER

Notwithstanding anything in the Loan Agreement or in any of the other documents entered into by the Borrower with respect to the 2024 Bonds to the contrary, the Borrower shall have no liability under the Loan Agreement or any other such document beyond its interest in the Student Housing Facilities and any funds held therefor under the Indenture. The Trustee will have no recourse against any other assets of the Borrower for payment of amounts due from the Borrower under the Loan Agreement.

THE 2024 BONDS ARE BEING OFFERED PRIMARILY ON THE BASIS OF THE VALUE AND PROJECTED PERFORMANCE OF THE STUDENT HOUSING FACILITIES AND NOT ON THE BASIS OF THE CREDIT OF THE BORROWER. THE BORROWER IS PROVIDING NO SECURITY TO THE BONDHOLDERS BEYOND ITS INTEREST IN THE STUDENT HOUSING FACILITIES.

The Borrower is a legal entity that is separate and distinct from the Foundation and the University and is the only entity obligated to make payments due under the Loan Agreement corresponding to the amounts due on the 2024 Bonds.

THE STATE SYSTEM OF HIGHER EDUCATION OF PENNSYLVANIA

The following information concerning the State System of Higher Education of Pennsylvania is presented as it may be relevant to a complete understanding of the Student Housing Facilities and West Chester University of Pennsylvania. However, the State System of Higher Education of Pennsylvania has no obligation with respect to the payment of debt service on the 2024 Bonds. The 2024 Bonds are payable solely from the Trust Estate.

The Normal School Act of 1857 established regional teacher training institutions throughout the Commonwealth of Pennsylvania (the "Commonwealth"). The School Code of 1911 called for the state to purchase all normal schools, and by 1921 a configuration of 14 state-owned institutions was established. The normal schools evolved from state normal schools to state teacher colleges and then to state colleges. On November 12, 1982, Act 188 was signed into law and it established Pennsylvania's State System of Higher Education on July 1, 1983 (the "System"), which included the 13 former state colleges and Indiana University of Pennsylvania.

Today the System comprises 10 universities, including West Chester University of Pennsylvania, five branch campuses, and the McKeever Environmental Learning Center. As outlined in Act 188, the purpose of the System is to provide high-quality education at the lowest possible cost to students.

The System is governed by a 20-member Board of Governors (the "Board of Governors"), which comprises four legislators, three students, the governor or a designee, the secretary of education or a designee and 11 citizens appointed by the governor. The Board of Governors has overall responsibility for planning and coordinating the development and operation of the System. The Board of Governors appoints the chancellor of the System, who serves as the chief executive officer of the System, and the university presidents. Each University has an 11-member council of trustees (the "Council of Trustees"), which carries out the policies implemented by the Board of Governors. The chancellor is an ex officio member of each university's Council of Trustees.

The universities in the System provide a wide range of associate, bachelor, master and doctoral degree programs. More than 2,300 degree and certificate programs in more than 530 areas of study are offered. Nearly 85,000 undergraduate and graduate, part-time and full-time students attend System universities. The total System campuses comprise approximately 4,700 acres with a total of 862 buildings housing classrooms, residences, administrative offices and student support services.

The System employs more than 12,150 professional and support staff, most covered by collective-bargaining agreements, making it the thirteenth largest employer in the Commonwealth. Tuition for 2024-2025 at System universities is $7,716 per year for Pennsylvania undergraduate students and no more than $19,290 per year for nonresident students. The tuition for graduate students is $516per credit hour for Pennsylvania residents and $774 per credit hour for out of state students.

THE UNIVERSITY

The following information concerning West Chester University of Pennsylvania (the "University") is presented as it may be relevant to a complete understanding of the Student Housing Facilities, the current enrollment at the University and available on-campus housing for University students. However, the University has no obligation with respect to the payment of debt service on the 2024 Bonds. The 2024 Bonds are payable solely from the Trust Estate.

Introduction

Although the University was founded in 1871, its roots are deeper, tracing from West Chester Academy (the "Academy"), a private, state-aided school that existed from 1812 to 1869. The Academy enjoyed strong support from the highly intellectual Chester County Cabinet of the Natural Sciences of the pre-Civil War decades. The Academy was recognized as one of Pennsylvania's leading preparatory schools, and its experience in teacher training laid the groundwork for the normal schools that followed.

As the state began to take increasing responsibility for public education, the Academy was transformed into West Chester Normal School (the "Normal School"), still privately owned but state-certified. The Normal School admitted its first class, consisting of 160 students, on September 25, 1871. In 1913, the Normal School became the first of the normal schools to be owned outright by the Commonwealth.

In 1927, the Normal School became West Chester State Teachers College, when Pennsylvania initiated a four-year program of teacher education. In 1960, as the Commonwealth paved the way for liberal arts programs in its college system, West Chester was renamed West Chester State College and two years later it introduced the liberal arts program that turned the one-time academy into a comprehensive college.

Another milestone was achieved with passage of the State System of Higher Education bill. West Chester State College became one of the 14 universities in the System on July 1, 1983 and was renamed West Chester University of Pennsylvania of the State System of Higher Education.

Today the System comprises 10 universities, including West Chester University of Pennsylvania, five branch campuses, and the McKeever Environmental Learning Center. As outlined in Act 188, the purpose of the System is to provide high quality education at the lowest possible cost to students.

General

Over the years, the University has grown to offer 180 different programs of study through its seven academic divisions: the College of Arts and Humanities, the College of Business and Public Management, the College of Education and Social Work, the College of Health Sciences, the College of Sciences and Mathematics, University College and Wells School of Music. As a member of the System, the University is committed to meeting the educational needs of southeastern Pennsylvania and the Commonwealth.

Eighty percent of the University's students come from southeastern Pennsylvania (including Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia and York counties) and 88% are Commonwealth residents.

In addition to the traditional undergraduate focus, the University is committed to building cohesive linkages with institutions throughout the Commonwealth. For example, the University has created several special partnerships with regional school districts that help the University prepare students for teaching careers while providing tremendous assistance to the students and teachers of the participating districts. The University's commitment to these collaborations led to the creation of the high school partnership to serve urban, low-income students from the Greater Philadelphia region.

Today, over 17,000 graduate and undergraduate students, along with 1,526 faculty and staff, study and work on the 402-acre campus. Situated primarily in the Borough of West Chester, the main campus is a mix of Gothic, Victorian and modern architecture with tree-shaded walks.

Strategically located at the center of the mid-Atlantic corridor between New York City and Washington, D.C., West Chester is convenient to major cultural and commercial institutions and recreational activities. West Chester is located 25 miles west of Philadelphia and 17 miles north of Wilmington. New York City and Washington, D.C. are accessible by car or train in less than three hours, and Philadelphia International Airport is less than a sixty-minute drive from the campus.

The University facilities are contained on two campuses. The main campus (the "North Campus") contains the administrative and academic facilities as well as the majority of the traditional residence halls. The second campus (the "South Campus") is approximately .5 mile away and contains the Health Science Center, recreational fields and apartment-style student housing, including The Village (as described below). In addition, the University maintains the Graduate Business Center, which is located approximately five miles from the main campus.

Enrollment Information

During the Fall 2023 semester, more than 17,000 students were pursuing more than 118 undergraduate and 80 master's degree programs.

University Total Student Body Headcount
(Fall 2019-Fall 2024)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024*
Undergraduate	14,615	14,711	14,471	14,392	14,344	14,449
Graduate	3,054	3,008	3,143	2,883	2,732	2,722
Total	17,669	17,719	17,614	17,275	17,076	17,171

* Fall 2024 is projected, not final.

University Total Undergraduate Student Body Headcount In-State / Out-of-State
(Fall 2019-Fall 2024)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024*
In-State	13,170	13,303	13,121	13,013	12,872	12,923
Out-of-State	1,445	1,408	1,350	1,379	1,472	1,526
Total	14,615	14,711	14,471	14,392	14,344	14,449

* Fall 2024 is projected, not final.

Freshman Admission Statistics
(Fall 2019-Fall 2024)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024*
Total Applications	16,958	16,093	14,584	15,546	16,965	17,989
Completed Applications	15,085	14,240	14,020	14,778	16,467	17,244
Acceptances	11,354	12,281	12,527	12,982	13,042	13,478
Acceptance Rate (completed applications)	75.3%	86.2%	89.4%	87.8%	79.2%	78.2%
Matriculated Students	3,068	3,220	2,913	3,260	3,295	3,281
Matriculation Rate	27.0%	26.2%	23.3%	25.1%	25.3%	24.3%
Enrolled Students	2,871	2,796	2,628	3,006	3,087	3,022

* Fall 2024 is projected, not final.

Transfer Admission Statistics
(Fall 2019-Fall 2024)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024*
Total Applications	2,859	2,484	2,677	2,373	2,412	2,502
Completed Applications	2,223	1,883	2,196	1,903	1,929	1,981
Acceptances	1,860	1,765	1,910	1,696	1,733	1,776
Acceptance Rate (completed applications)	83.7%	93.7%	87.0%	89.1%	89.8%	89.7%
Matriculated Students	1,399	1,339	1,407	1,189	1,206	1,183
Matriculation Rate	75.2%	75.9%	73.7%	70.1%	69.6%	66.6%
Enrolled Students	1,186	1,141	1,193	1,040	1,090	1,047

* Fall 2024 is projected, not final.

Freshman Academic Achievement
(Fall 2019-Fall 2024)

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024**
Average Freshman SAT*	1119	1095	1140	1172	1184	1210
Average Freshman GPA	3.44	3.38	3.43	3.45	3.20	3.37

* Beginning Fall 2021, submitting SAT scores is optional for admission.
** Fall 2024 is projected, not final.

Graduation Rate

The following table sets forth the number of degrees awarded for the past five years:

Degrees Awarded
(Academic Years 2019-20 to 2023-24)

	2019-20	2020-21	2021-22	2022-23	2023-24
Undergraduate	3,587	3,865	3,596	3,588	3,361
Graduate	1,424	1,210	1,437	1,312	1,245

Tuition

The following table sets forth the tuition rates at the University for the past five years:

Undergraduate and Graduate Tuition Per Semester

Academic Year	Undergraduate Resident Tuition	Graduate Resident Tuition*	Undergraduate Non-Resident Tuition	Graduate Non-Resident Tuition*
2024-25	$3,858	$6,192	$9,645	$9,288
2023-24	3,858	6,192	9,645	9,288
2022-23	3,858	6,192	9,645	9,288
2021-22	3,858	6,192	9,645	9,288
2020-21	3,858	6,192	9,645	9,288

* Assumes 12 credits.

Current University Housing Program

The current University housing consists of 12 on campus residence housing facilities completed between 1959 and 2013. On North Campus there are four traditional residence halls, which are available as single or double occupancy and share community bathrooms. The most common amenities include computer rooms, laundry facilities, study rooms, lounges for recreation/games/television, and a common kitchen. In addition on North Campus there are four affiliated housing facilities. These include: University, Allegheny, Brandywine and Commonwealth Halls and are modern, suite style facilities with in-room bathrooms and fitness centers in each of the buildings. The South campus has three apartment communities which include: The South Campus apartments and The Village and East Village. These apartments house four to five residents per unit. Apartments are fully furnished and feature a laundry room in each building, central air conditioning, cable access, on-site parking and shuttle service to the campus.

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Existing On-Campus Housing and Room Charges

Hall	Number of Beds	Type of Room	Rent (per semester) 2024-2025
North Campus			
Goshen Hall	549	Traditional w/community bath	$3,324 (double occupancy)
Killinger Hall	300	Traditional w/community bath	$3,324 (double occupancy)
Schmidt Hall	409	Traditional w/community bath	$3,324 (double occupancy)
Tyson Hall	549	Traditional w/community bath	$3,324 (double occupancy)
College Arms	33	Apartment style	$3,403– $5,272 (various), 12-month lease
University Hall (Borrower-owned)	265	Suite style	$5,398 (2 bedroom double) $5,692 (2 bedroom single) $5,544 (3 bedroom single)
Allegheny Hall (Borrower-owned)	636	Suite Style	$5,558 (1 bedroom double) $5,810 (2 bedroom double w/living room) $5,910 (2 bedroom single w/living room) $5,180 (3 bedroom double)
Brandywine Hall (Borrower-owned)	622	Suite Style	$5,558 (1 bedroom double) $5,810 (2 bedroom double w/living room) $5,910 (2 bedroom single w/living room) $5,180 (3 bedroom double)
Commonwealth Hall (Borrower-owned)	651	Suite Style	$5,558 (1 bedroom double) $5,091 (2 bedroom double w/shared bathroom) $5,180 (3 bedroom double) $5,910 (2 bedroom single w/living room) $6,121 (1 bedroom studio suite)
South Campus			
Apartments	489	Single and double bedrooms 4-5 occupants per unit	$3,636 (double occupancy) $3,960 (single occupancy)
The Village (Borrower-owned)	524	Apartment style	$5,946 (4 person/2 bath), 10 month lease
East Village (Borrower-owned)	264	Apartment style	$5,946 (4 person/2 bath), 10 month lease
Total	5,291		

Meal Plans

Type of Plan	Price of Plan (per semester) 2024-2025
unlimited meals + $250 flex dollars	$2,235*
14 meals per week + $250 flex dollars	$1,787*
10 meals per week + $300 flex dollars	$1,664*
Block 120 meals + $350 flex dollars	$1,461*
Block 75 meals + $350 flex dollars	$1,084*
Block 30 meals + $300 flex dollars	$746

*North Campus residents must select one of these meal plans.

Occupancy; Extended Housing and Wait Lists

As set forth above, the total enrollment at the University for the fall of 2023 was 17,076. The University's current housing stock (including facilities owned by the Borrower) is approximately 5,291 beds; therefore, the University is only able to accommodate primarily its freshman class and some sophomores and juniors.

The demand for on-campus housing has been strong for most of the past 27 years. During this period the University has employed extended housing (i.e., providing housing to more students than the facilities were originally designed to house) but even with the use of extended housing, the University is still unable to accommodate all requests for housing. The University and the Borrower keep wait lists for Fall housing, and the average number of students on the wait list is approximately 900. There is currently no requirement for first-year or second-year students to live on-campus.

In September 2024, the University received approval from West Goshen Township, Chester County, Pennsylvania to add short-term housing on campus. This housing will consist of a temporary prefabricated modular community, housing 128 students to be used as a swing-space while the University begins to refurbish their existing housing. The University is currently working on a housing study and campus master plan to identify additional beds to accommodate the housing demand.

Historic occupancy levels for University and Borrower-owned housing are set forth below. In March. 2020, the University was forced to close housing due to COVID. University housing remained closed through fiscal year 2021 and reopened at full capacity in the Fall of 2021.

University Owned Housing

	2019	2020*	2021	2022	2023	2024**
Total Beds	2,240	1,984	2,291	2,413	2,409	2,329
Beds Occupied	2,217	279	2,100	2,388	2,385	2,323
Occupancy	98.9%	14.1%	91.6%	99.0%	99.0%	99.7%

* All on campus housing was closed as a result of the COVID pandemic.
** Projected.

Borrower Owned Housing

	2019	2020*	2021	2022	2023	2024
Total Beds	2,962	2,962	2,962	2,962	2,962	2,962
Beds Occupied	2,992	277	2,957	2,974	2,975	2,976
Occupancy	101.0%	9.4%	99.8%	100.4%	100.4%	100.5%

* All on campus housing was closed as a result of the COVID pandemic.

UNIVERSITY NOT LIABLE FOR BONDS

NEITHER THE UNIVERSITY NOR THE SYSTEM SHALL HAVE ANY LIABILITY, EXPRESS OR IMPLIED, FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2024 BONDS, NOR SHALL THE UNIVERSITY OR THE SYSTEM BE RESPONSIBLE OR LIABLE, EXPRESSLY OR IMPLIEDLY, FOR ANY OTHER OBLIGATIONS OF ANY PARTY OTHER THAN THE UNIVERSITY, UNDER ANY OF THE FINANCING DOCUMENTS, OR UNDER ANY OTHER DOCUMENTS DELIVERED IN CONNECTION WITH THE ISSUANCE OF THE 2024 BONDS OR FOR THE STUDENT HOUSING FACILITIES.

MARKET STUDY

A Market Study relating to the Student Housing Facilities (the "Market Study") and an analysis of the housing market in West Chester, Pennsylvania near the campus of the University has been prepared by Danter and Associates, LLC (the "Market Consultant") as of August 5, 2024. The Market Study should be read in its entirety. The Market Study includes information on the off-campus rental market and housing development trends in and around the area where the Student Housing Facilities are located. With permission of the Market Consultant, the Market Study has been included in Appendix I. The achievement of any forecast is dependent upon future events the occurrence of which cannot be assured. See "CERTAIN BONDHOLDERS' RISKS" herein. The Borrower, the Issuer, the Underwriter, the University and the Trustee make no representations as to any aspect of the Market Study. The Market Study has not been updated in connection with the issuance of the 2024 Bonds.

CERTAIN BONDHOLDERS' RISKS

General

EACH INVESTOR SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2024 BONDS. Each prospective investor should carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the 2024 Bonds are an appropriate investment.

The Borrower has identified and summarized below certain "Bondholders' Risks" that could adversely affect the operation of the Student Housing Facilities and/or the 2024 Bonds which should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors which should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

If the Borrower defaults in its obligations under the Loan Agreement or the other Financing Documents, a Default may occur under the Financing Documents. Upon a Default (as defined in the

Indenture), the 2024 Bonds may be paid before maturity or applicable redemption dates and a forfeiture of purchase premiums, if any, may result. The Borrower's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the University, (ii) increased competition from other schools, (iii) loss of accreditation of the University's programs, (iv) failure of the University to meet applicable federal guidelines or some other event which results in students of the University being ineligible for federal financial aid, and (v) cost overruns in connection with the construction of the Student Housing Facilities or other capital improvements.

Limited Obligations of the Issuer

The 2024 Bonds constitute limited obligations of the Issuer and have three potential sources of payment. The sources of payment are as follows:

(a) *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 2024 Bonds except from the related Trust Estate, including payments derived from the Loan Agreement. The 2024 Bonds and the interest thereon shall not be deemed to constitute an indebtedness, liability or obligation, legal, moral or otherwise, of the Issuer, the Commonwealth or any political subdivision, agency or instrumentality of the Commonwealth, including, without limitation, the University and the System, or a pledge of the faith and credit of the Commonwealth, the Issuer, or any other political subdivision, agency or instrumentality of the Commonwealth, including, without limitation, the University and the System, within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability, nor shall there be a charge against the general credit or taxing powers, of the Issuer, the Commonwealth or any other political subdivision, agency or instrumentality of the Commonwealth, including, without limitation, the University or the System, but shall be payable solely from the revenues and other amounts pledged to such payment under the Indenture. Neither the Issuer, the Commonwealth nor any other political subdivision, agency or instrumentality of the Commonwealth, including, without limitation, the University or the System, shall be obligated to pay the 2024 Bonds or the interest thereon except from such sources, and neither the faith and credit nor the taxing power, if any, of the Issuer, the Commonwealth, or any other political subdivision, agency or instrumentality of the Commonwealth, including, without limitation, the University or the System, is pledged to the payment of the principal of or the interest on the 2024 Bonds. The Issuer has no taxing power. Under the Loan Agreement, the Borrower will be required to make 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 principal of, premium, if any, and interest on the 2024 Bonds. The loan payments are anticipated, however, to be derived solely from the operation of the Student Housing Facilities, and the obligation to make loan payments is not a general obligation of the Borrower. Furthermore, the Borrower's ability to meet its obligations under the Loan Agreement will depend upon achieving and maintaining certain occupancy levels at the Student Housing Facilities throughout the term of the 2024 Bonds. No assurance can be made that the Borrower will generate sufficient revenues from the Student Housing Facilities to pay maturing principal of, premium, if any, and interest on the 2024 Bonds after payment of operating expenses of the Student Housing Facilities.

(b) *Revenues Received From Operation of the Student Housing Facilities 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 "Enforceability of Remedies" herein. Accordingly, prospects for uninterrupted payment of principal and interest on the 2024 Bonds in accordance with their terms are largely dependent upon loan payments from the Borrower described in the preceding paragraph, which is wholly dependent upon the success of the Borrower in the operation of the Student Housing Facilities.

(c) *Proceeds Realized From the Sale or Lease of the Issuer's and the Borrower's Interest in the Student Housing Facilities to a Third Party by the Trustee at or Following Foreclosure by the Trustee of the Mortgage and Proceeds Realized From the Liquidation of Other Security for the 2024 Bonds*. Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders' efforts to foreclose on real property or otherwise to realize upon collateral to satisfy indebtedness which is in default. Such defensive measures can prevent, or greatly increase the expense and time involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Student Housing Facilities 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 2024 Bonds. See "Liquidation of Security May Not Be Sufficient in the Event of a Default" herein. Accordingly, prospects for uninterrupted payment of principal and interest on the 2024 Bonds in accordance with their terms are largely dependent upon the loan payments described in paragraph (a) above, which is wholly dependent upon the success of the Student Housing Facilities. Even if the Student Housing Facilities are operating in an efficient manner, other factors could affect the Borrower's ability to make loan payments under the Loan Agreement.

Moreover, as otherwise described herein and subject to the terms of the Loan Agreement, the Borrower also may become engaged in other ventures in the future. The filing by, or against, the Borrower for relief under the Bankruptcy Code in connection with any other project may have an adverse effect on the ability of the Trustee and Bondholders to enforce their claim or claims to the security granted by the Indenture and the other security which secures the Student Housing Facilities, and their claim or claims to moneys owed them as unsecured claimants, if any. Such a filing would generally operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower and its property and as an automatic stay of any act or proceeding to enforce a lien against such property, which may include the Student Housing Facilities even though the Student Housing Facilities are not pledged to secure any other indebtedness. Further, once a bankruptcy court has acquired jurisdiction over the Borrower in connection with the Student Housing Facilities or any other project or venture, such court would likely have the ability to exercise its jurisdiction generally in respect of the Borrower and its assets, including the Student Housing Facilities and any other project.

Limited Resources of the Borrower; Limited Recourse

Other than its ownership of the Student Housing Facilities, no representation is made and no assurance can be given that the Borrower will have substantial revenues or assets which are not pledged for other contractual obligations of the Borrower. Furthermore, the 2024 Bonds are secured only by the operations and assets of the Student Housing Facilities. Therefore, timely payment of principal of, premium, if any, and interest on the 2024 Bonds will be dependent upon the Borrower's ability to generate revenues from the Student Housing Facilities sufficient to pay its operating expenses and loan payments under the Loan Agreement. If after payment of operating expenses, net revenues are insufficient to pay the debt service on the 2024 Bonds, the Borrower may not have money or assets other

than the Student Housing Facilities from which to make the payments required under the Loan Agreement, and is not obligated to use any such money or assets to make such payments. The Borrower's obligations under the Loan Agreement are limited to revenues generated by the Student Housing Facilities.

No Recourse Against the Borrower, the Issuer, the University, the Foundation or the System

The Borrower shall have no liability under the Loan Agreement, any other Financing Document or any other documents delivered in connection with the issuance of the 2024 Bonds, beyond its interest in the Student Housing Facilities and any funds held therefor under the Indenture. The Issuer will agree not to enforce the liability and obligation of the Borrower to perform and observe the obligations contained in the Loan Agreement (other than obligations to pay costs of the Student Housing Facilities in excess of the amount of the Loan and certain other obligations under the Loan Agreement) or any of the other Financing Documents in any action or proceeding wherein a money judgment shall be sought against the Borrower, except that the Trustee may bring a foreclosure action, or other appropriate action or proceeding to enable the Trustee to enforce and realize upon the Mortgage and the property pledged under the Mortgage; 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 Student Housing Facilities.

None of the Issuer, the University, the Foundation nor the System will be liable for the payment of the principal of, premium, if any, or interest on the 2024 Bonds, nor shall they be responsible or liable for any other obligations of the Borrower or the obligations of any other party in connection with the 2024 Bonds.

Liquidation of Security May Not Be Sufficient in the Event of a Default

The Student Housing Facilities are located on the campus of the University, and may not be suitable for uses other than as student housing facilities. The number of entities that could be expected to purchase or lease the Borrower's interest in the Student Housing Facilities is therefore limited, and thus the ability of the Trustee to realize funds from the sale or lease of such interest upon an event of default may be limited. Such value may be also limited by actual or alleged rights of residents. Any foreclosure proceeding may be subject to substantial delays. The ability of the Trustee to receive funds sufficient to pay the 2024 Bonds from any sale or foreclosure of the Issuer's interest in the Premises may be limited by a number of factors, including the limited operational use of the Student Housing Facilities as a student housing facility.

Risks Associated with Ground Lease

The Borrower does not own fee title to the real property on which the Student Housing Facilities is situated, and instead leases such property from the University pursuant to the Ground Lease. A default under the Ground Lease could result in a termination thereof, effectively depriving the Trustee of any real property security for the 2024 Bonds. The Trustee is granted the right to cure defaults under the Ground Lease and the right to compel the University to enter into a new Ground Lease (of substantially the same terms as the original) upon any termination thereof. No assurance can be given, however, that the Trustee would be willing or able to effect a cure of any such default or enter into any such replacement Ground Lease. In addition, the obligation to comply with the terms of the Ground Lease and to relinquish any

claim to the Student Housing Facilities on termination of the Ground Lease renders the Student Housing Facilities less valuable to prospective purchasers upon foreclosure.

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Borrower's and the University's ability to conduct their operations. A prolonged disruption in the Borrower's or the University's operations could have an adverse effect on the financial condition of the Student Housing Facilities.

Additional Bonds

The Issuer may, upon request from the Borrower complying with the provisions of the Indenture, issue one or more series of Additional Bonds. See "THE 2024 BONDS—Additional Bonds" herein. Series of Additional Bonds will be equally and ratably secured under the Indenture with the 2024 Bonds and with all other series of Bonds, if any, issued under the Indenture, without performance, priority or distinction of any Bond over any other. The consent of the Bondholders is not required prior to the issuance of Additional Bonds.

Geographic Concentration

The occupancy rates in the Student Housing Facilities may be adversely affected by regional and local economic conditions, competitive conditions, applicable local laws and regulations, and general real estate market conditions, including the supply and proximity of apartment communities in such area.

Insurance and Legal Proceedings

The Borrower will carry property and general liability insurance in amounts required by the Ground Lease and otherwise as deemed adequate by management and consistent with industry practices. However, there can be no assurance that any current or future claims will be covered by or not exceed applicable insurance coverage. A claim against the Borrower not covered by, or in excess of, the Borrower's insurance could have a material adverse effect upon the Borrower.

Existing Operations and Possible Increased Competition

The student housing industry is highly competitive. Such competition may inhibit the extent to which the Borrower will be able to raise charges and maintain or increase occupancy. Competing companies may offer newer or different projects or services and may thereby attract residents who are present or potential residents of the Student Housing Facilities. Subject to the restrictions contained in the Cooperation Agreement, the Borrower or the University may themselves acquire or develop additional student housing facilities which are competitive with the Student Housing Facilities.

Governmental Regulation

The housing industry is significantly regulated by the federal and local government. Regulations and conditions affecting the 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 multifamily residential real estate market could, if applied to on campus student housing, increase the operating expenses of the Student Housing Facilities

or could otherwise have a material adverse effect on the financial condition of the Borrower or the results of its operations.

Real Estate Tax Exemptions

The Borrower's cash flow projections for the Student Housing Facilities assume that the Student Housing Facilities will not be required to pay real estate taxes or payments in lieu of taxes. The Borrower has taken the position that the Student Housing Facilities are exempt from such taxation under the laws of the Commonwealth and has taken such a position with respect to other real property owned by the Borrower. The Borrower has not received any oral or written notice from any governmental agency of an assessment, demand, claim or intention to make assessment, demand or claim for the payment of any real estate taxes and is not aware of any plans on the part of any governmental agency to assess, demand or claim payment by the Borrower of any real estate taxes.

Required Occupancy Levels and Rents

In order for the Borrower to generate sufficient revenues to enable it to make the payments in the amounts and at the times required under the Loan Agreement, the Student Housing Facilities must meet certain assumed occupancy levels and achieve certain assumed rents during each Fiscal Year. There can be no assurance, however, that the Student Housing Facilities will be able to meet and maintain such required occupancy and rent levels during any Fiscal Year.

Construction Risks

No assurance can be given that the New Money Project will be completed on schedule, within budget, or without material errors and defects. Risks that could affect the timely completion or costs of renovation include defaults, bankruptcies or failures in performance of contractors and subcontractors, strikes, shortages or unavailability of materials, adverse weather conditions, delays, inflation, increased and unexpected costs, and other operations and other factors and contingencies unknown to or beyond the control of the Borrower. There can be no assurance that the contractors under construction contracts will be able to comply with the terms of such contracts or that compliance by the contractors can be enforced without costly or time-consuming litigation. Any failure to complete the New Money Project on schedule and within budget could adversely affect the operating results of the Student Housing Facilities.

For a description of the New Money Project, see the caption "STUDENT HOUSING FACILITIES" herein.

Market for the 2024 Bonds

There can be no assurance that a secondary market exists, or that the 2024 Bonds can be sold for any particular price. Accordingly, a purchaser of the 2024 Bonds should recognize that an investment in the 2024 Bonds may be illiquid and be prepared to have his or her funds committed until the 2024 Bonds mature or are redeemed.

Cleanup Costs and Liens
Under Environmental Statutes

The Borrower is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the site of the Student Housing Facilities. 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 Student Housing Facilities. 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 Student Housing Facilities, which would adversely affect the Trustee's ability to realize value upon foreclosure of the Mortgage. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Student Housing Facilities under the Indenture, the Trustee and the Bondholders would need to take into account the potential liability of any tenant of the Student Housing Facilities, including a tenant by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Risk of Flood and Climate Change

Some areas in West Chester, Pennsylvania lie in a flood plain and have experienced flooding in the past. The University's campus is in an area of minimal flood hazard. Except for such classifications of flood risk zones, the risk of a flood event is unknown, and it may be affected by climate change and the effects thereof. A flood may result in damage to the University's campus and facilities and adversely affect the operations of the Borrower or the University.

In addition, the effects of climate change may include increased risk of extreme heat and drought or severe storms. To the extent that climate change may increase incidents of extreme heat or drought affecting the University's campus, the Student Housing Facilities could see higher energy usage and costs.

Enforceability of Remedies

The 2024 Bonds are payable from the Trust Estate, including payments to be made under the Loan Agreement and the Indenture. The 2024 Bonds and the Borrower's obligations with respect thereto are secured by (a) a first lien on the Borrower's interest in the Student Housing Facilities pursuant to the Mortgage and (b) a first priority securing interest in the Gross Revenues. Pursuant to the Indenture, the 2024 Bonds are secured by the Trust Estate, including the assignment by the Issuer to the Trustee of and by a grant of a security interest in, the Issuer's interest in the Loan Agreement. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Financing Documents. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Moreover, the liens and security interests granted and created by the Mortgage, the Loan Agreement and the Indenture are subject to a prior lien to secure the payment of all fees and expenses of the Trustee. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Financing 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 Financing Documents. The various legal opinions to be delivered concurrently with the delivery of the 2024 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 and the Issuer each will covenant not to take any action that would cause the Series A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest on the Series A Bonds. The Borrower has also made representations with respect to certain matters within its knowledge which have been relied on by Bond Counsel and which Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series A Bonds to become subject to federal income taxation retroactively from their date of issuance.

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

Actual Results May Differ from Market Study and Cash Flow Projection

The Market Study and its projection of future demand included as Appendix I hereto, and the Cash Flow Projection and its projection of future revenues and expenses with respect to the Student Housing Facilities included as Appendix J hereto, are based upon assumptions concerning future events, circumstances, and transactions. 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. 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 Borrower and 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 operation of the Student Housing Facilities will be different from the results projected in the Market Study and the Cash Flow Projection included herein, and those differences may be material and adverse.

The ability of the Borrower to pay debt service on the 2024 Bonds depends upon its ability to market the Student Housing Facilities. The economic feasibility of the Student Housing Facilities depends upon the ability of the University to attract sufficient students and the Borrower to attract sufficient residents and to maintain substantial occupancy at projected rent levels throughout the term of the 2024 Bonds. There can be no assurance that the levels of occupancy assumed in the Cash Flow Projection will be obtained or maintained.

Forward-Looking Statements

This Official Statement, 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 Official Statement, the words "estimate," "projection," "intend," "expect," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. The factors that may cause projected revenues and expenditures to be materially different from those anticipated include (1) the ability to market the Student Housing Facilities, (2) the ability of the Borrower to maintain substantial occupancy at projected increased rent levels of the Student Housing Facilities, (3) the ability of the residents of the Student Housing Facilities to meet their financial obligations, (4) lower than anticipated revenues, (5) higher than anticipated operating expenses, (6) litigation, (7) changes in governmental regulation, (8) loss of federal tax-exempt status of the Borrower, (9) loss of any full or partial local property tax exemption, (10) changes in demographic trends, (11) competition from other residential rental projects, (12) changes in the student housing industry, and (13) general economic conditions. No representation or assurances can be made that revenues will be generated from the operation of the Student Housing Facilities in amounts sufficient to pay debt service on the 2024 Bonds.

Uncertainty of Investment Income

The investment earnings of, and accumulations in, certain funds and accounts established by the Indenture have been estimated and are based on assumed earnings' rates. While these assumptions are believed to be reasonable in view of the rates of return presently available, there is no assurance that similar interest rates will be available on such investments in the future, nor is there any assurance that the potential accumulations assumed will be realized.

Consequences of Changes in the Borrower's Tax Status

The Borrower 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 not to be classified as a "private foundation." In order to maintain its exempt status and not to be considered a private foundation, the Borrower is subject to a number of requirements affecting its operation. 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 Borrower's method of operations, purposes or character or other factors could result in loss by the Borrower of its tax-exempt status.

The Borrower has covenanted to remain eligible for such tax-exempt status and to avoid operating the Student Housing Facilities as an unrelated trade or business (as determined by applying Section 512(a) of the Code). Failure of the Student Housing Facilities to remain so qualified or of the Borrower so to operate the Student Housing Facilities could affect the funds available to the Borrower for payments under the Loan Agreement by subjecting the Borrower to federal income taxation and could result in the loss of the excludability of interest on the Series A Bonds from gross income for purposes of federal income taxation. See "Effect of Determination of Taxability" above.

Taxation of 2024 Bonds

An opinion of Bond Counsel has been obtained as described under "TAX EXEMPTION AND OTHER 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 A 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 EXEMPTION AND OTHER TAX MATTERS." Failure by the Issuer or the Borrower to comply with certain provisions of the Code and covenants contained in the Indenture and the Loan Agreement could result in interest on the Series A Bonds becoming includible in gross income for federal tax purposes.

An opinion of Bond Counsel has been obtained regarding the exemption of interest on the 2024 Bonds from certain taxation by the Commonwealth of Pennsylvania, as described under "TAX EXEMPTION AND OTHER TAX MATTERS" herein. Bond Counsel has not opined as to whether interest on the 2024 Bonds is subject to state or local income taxation in jurisdictions other than Pennsylvania. Interest on the 2024 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Pennsylvania under applicable state or local laws. Each purchaser of the 2024 Bonds should consult his or her own tax advisor regarding the taxable status of the 2024 Bonds in a particular state or local jurisdiction.

Bond Insurance Risk Factors

In the event of default of the scheduled payment of principal of or interest on the 2024 Bonds when all or a portion thereof becomes due, any owner of the 2024 Bonds covered under the Policy (as defined herein under the caption "BOND INSURANCE—Bond Insurance Policy") shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the 2024 Bonds which is recovered from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Issuer (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the 2024 Bonds is subject to acceleration, as well as other legal remedies, upon the occurrence of non-payment (see "FORM OF INDENTURE" in Appendix A hereto). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the holders of the 2024 Bonds.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the 2024 Bonds are payable solely from the Trust Estate. In the event the Insurer becomes obligated to make payments with respect to the 2024 Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the 2024 Bonds.

The long-term ratings on the 2024 Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the 2024 Bonds will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the 2024 Bonds.

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. Neither the Issuer nor the Borrower has made independent investigation into the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Credit rating agencies might downgrade and/or place on negative watch the claims-paying ability and financial strength of providers of municipal bond insurance. Such downgrades or negative changes in the rating outlook for all bond insurers is possible. From time to time events in the credit markets might have substantial negative effects on the bond insurance business. Such developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including the Insurer of the 2024 Bonds. Thus, when making an investment decision, potential investors should carefully consider the ability of the principal and interest on the 2024 Bonds to be paid from the Trust Estate and the claims-paying ability of the Insurer, particularly over the life of the 2024 Bonds.

LITIGATION

There is no action, suit or proceeding, at law or in equity before any court, public board or body pending or, to the knowledge of the Borrower or the Issuer, threatened (or any meritorious basis for such an action, suit, proceeding, inquiry or investigation) at the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the 2024 Bonds or any proceedings of the Issuer or the

Borrower taken with respect thereto, or wherein an unfavorable decision, ruling or finding (i) would adversely affect the transactions contemplated by this Official Statement or the validity or enforceability of the 2024 Bonds, the Indenture, the Loan Agreement or any other agreement or instrument which is used or contemplated for use in the consummation of the transactions contemplated by this Official Statement or (ii) would materially adversely affect the financial condition or operations of the Student Housing Facilities. There is no litigation now pending or threatened against the Borrower, of which the Borrower has knowledge, which in any manner questions the right of the Borrower to enter into or perform its obligations under the Loan Agreement or the Mortgage.

TAX EXEMPTION AND OTHER TAX MATTERS

Federal Tax Exemption

Bond Counsel will deliver, concurrently with the issuance of the Series A Bonds, its opinion in the form attached hereto as Appendix F to the effect that under existing statutes, regulations, rulings and court decisions, interest on the Series A Bonds will not be includible in the gross income of the holders thereof for federal income tax purposes and is not a specific preference item for purposes of calculating federal alternative minimum taxable income on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Series A Bonds may be included in a foreign corporation's effectively connected earnings and profits upon which certain foreign corporations are required to pay the foreign branch profits tax imposed under Section 884 of the Code.

Certain maturities of the Series A Bonds have been offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Series A Bond accrues periodically over the term of the Series A Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the Series A Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Prospective purchasers of the Series A Bonds should consult their tax advisers for an explanation of the treatment of original issue discount.

Certain maturities of the Series A Bonds have been offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Series A Bond through reductions in the holder's tax basis for the Series A Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Series A Bond rather than creating a deductible expense or loss. Prospective purchasers of the Series A Bonds should consult their tax advisers for an explanation of the treatment of original issue premium.

Ownership of the Series A Bonds may result in collateral federal tax consequences to certain tax payers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Series A Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Series A Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Series A Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Series A Bonds should consult their own tax advisors.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series A Bonds. Ongoing requirements include, among other things, the provisions of Section 148 of the Code which prescribe yield and other limits within which the proceeds of the Series A Bonds are to be invested and which may require that certain excess earnings on investments made with the proceeds of the Series A Bonds be rebated on a periodic basis to the United States. The Borrower and the Issuer have made certain agreements and covenants in the Indenture and the Loan Agreement and in the tax compliance agreement to be delivered concurrently with the issuance of the Series A Bonds designed to ensure compliance with the applicable provisions of the Code. Any inaccuracy of these representations or the failure on the part of the Borrower or the Issuer to comply with such covenants and agreements could result in the interest on the Series A Bonds being included in the gross income of the holder for federal income tax purposes, in certain cases retroactive to the date of original issuance of the Series A Bonds.

The Borrower has represented that it 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 for unrelated business income subject to taxation under Section 511 of the Code, and is not a "private foundation" within the meaning of Section 509(a) of the Code. In delivering its opinion as to the tax status of the Series A Bonds for federal income tax purposes, Bond Counsel will rely upon representations of the Borrower that it is a charitable organization described in Section 501(c)(3) of the Code. The failure of the Borrower to be organized and to remain qualified as a so-called "501(c)(3) organization" and to conduct its activities (and particularly its activities with respect to the facilities financed or refinanced with proceeds of the Series A Bonds) in a manner that is substantially related to its charitable purpose could also result in the interest on the Series A Bonds being included in gross income for federal income tax purposes, in some cases retroactive to the date of their original issuance.

The opinion of Bond Counsel assumes the accuracy of these representations and the future compliance by the Authority and the Corporation with their covenants and agreements. Moreover, Bond Counsel has not undertaken to evaluate, determine or inform any person, including any holder of the Series A Bonds, whether any actions taken or not taken, events occurring or not occurring, or other matters that might come to the attention of Bond Counsel, would adversely affect the value of, or tax status of the interest on, the Series A Bonds.

There can be no assurance that currently existing or future legislative proposals by the United States Congress limiting or further qualifying the excludability of interest on tax exempt bonds from gross income for federal tax purposes, or changes in federal tax policy generally, will not adversely affect the market for the Series A Bonds.

Interest on the Series B Bonds will be includible in gross income of the holders thereof for federal income tax purposes.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series A Bonds or otherwise prevent holders of the Series A Bonds from realizing the full benefit of the tax exemption of interest on the Series A Bonds. Further, such proposals may impact the marketability or market value of the Series A Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely

affect the market value, marketability or tax status of the Series A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series A Bonds would be impacted thereby.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

For taxable bonds such as the Series B Bonds, a 3.8% Medicare tax on certain net investment income earned by individuals, estates, and trusts will apply for taxable years beginning after December 31, 2012. For these purposes, net investment income generally includes a United States holder's interest income from a taxable bond (including accrued original issue discount on a discount taxable bond and market discount) and gain realized on the sale, retirement or other disposition of a taxable bond. In the case of an individual, the tax will be imposed on the lesser of (i) the United States holder's net investment income from all investments, or (ii) the amount by which the United States holder's modified adjusted gross income exceeds $250,000 (if the United States holder is married and filing jointly or a surviving spouse), $125,000 (if married filing separately) or $200,000 (if the United States holder is unmarried or in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income, or (ii) the excess of adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

Pennsylvania Tax Exemption

Bond Counsel will also deliver an opinion to the effect that under existing law as enacted and construed on the date of such opinion, the 2024 Bonds are exempt from personal property taxes in Pennsylvania, and interest on the 2024 Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. However, under the laws of the Commonwealth as presently enacted and construed, any profits, gains or income derived from the sale, exchange or other disposition of obligations of the Issuer, such as the 2024 Bonds, will be subject to Pennsylvania taxes within the Commonwealth.

The 2024 Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

PROSPECTIVE PURCHASERS OF THE SERIES A BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES A BONDS AND ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED TAX LEGISLATION.

LEGALITY FOR INVESTMENT

Under the Act, the 2024 Bonds are designated securities in which all officers of the Commonwealth and its political subdivisions, municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who are authorized to invest in bonds or other obligations of the Commonwealth, may properly and legally invest any funds, including capital belonging to them or within their control. The Act also provides that the 2024 Bonds are securities which may properly and legally be deposited with, and received by, any

state or municipal officer or agency of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is authorized by law.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter"), has entered into a Bond Purchase Agreement with the Issuer and the Borrower, to purchase the 2024 Bonds at a purchase price of $86,411,970.02 (representing the principal amount of the 2024 Bonds plus net original issue premium in the amount of $1,876,958.95 and less an Underwriter's discount of $564,988.93). The total compensation to the Underwriter in connection with the 2024 Bonds is expected to be in the form of a discount. The obligation of the Underwriter to purchase and to sell the 2024 Bonds will be subject to various conditions contained in the Bond Purchase Agreement, including the issuance and receipt of the ratings described herein.

The Underwriter and/or its affiliates may receive additional fees for providing services as an investment broker or bidding agent with respect to the investment of the Series A Bond and the Series B Bond proceeds.

The Underwriter is purchasing the 2024 Bonds and intends to offer the 2024 Bonds to the original purchasers thereof at the offering prices set forth on the cover page of this Official Statement, which offering price may subsequently be changed without any requirement of prior notice. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the 2024 Bonds. The Underwriter may offer and sell the 2024 Bonds to certain dealers at prices lower than the public offering price or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts and/or commissions that may be received by such dealers in connection with the sale of the 2024 Bonds will be deducted from the Underwriter's discount.

The Underwriter and its affiliates together comprise a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Issuer for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the Issuer.

The Borrower has agreed to indemnify the Underwriter against certain civil liabilities, including certain liabilities under federal securities laws. Under existing statutes, regulations, and court decisions, the enforceability of such an agreement to indemnify is uncertain.

FINANCIAL ADVISOR

The Borrower has retained Callowhill Capital Advisors LLC, Philadelphia, Pennsylvania, as Financial Advisor with respect to the authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake or assume responsibility for, nor has it undertaken or assumed responsibility for, an independent verification of the accuracy, completeness or fairness of the information contained in

this Official Statement. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned the 2024 Bonds a rating of "AA" based on the understanding that the Policy will be issued by BAM concurrently with the issuance of the 2024 Bonds. The Rating Agency has also assigned an underlying (uninsured) rating of "BBB-" (stable) to the 2024 Bonds. An explanation of the significance of such ratings may be obtained from the Rating Agency. The Rating Agency was furnished with the information contained in a preliminary form of this Official Statement and other information. Generally, ratings agencies base their ratings on such materials and information, as well as their own investigation, studies and assumptions. The rating reflects only the view of the Rating Agency, and none of the Borrower, the Issuer, or the Underwriter makes any representation as to the appropriateness of the rating.

It should be noted that there is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency, circumstances warrant such action. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2024 Bonds.

FINANCIAL STATEMENTS

The consolidated financial statements of the Foundation, as of June 30, 2024 for the fiscal year then ended, included in this Official Statement have been audited by Baker Tilly US, LLP, to the extent and for the period indicated in their report. See "APPENDIX K—AUDITED FINANCIAL STATEMENTS." Such financial statements have been included without the review of the auditor.

LEGAL MATTERS

Certain legal matters pertaining to the Issuer and its authorization and issuance of the 2024 Bonds are subject to the approving opinion of Bond Counsel, Dilworth Paxson LLP, Philadelphia, Pennsylvania, the proposed form of which is included as Appendix F hereto. Certain legal matters will be passed on for the Issuer by its counsel, Lamb McErlane PC, West Chester, Pennsylvania, for the Borrower by its counsel, Obermayer Rebmann Maxwell & Hippel LLP, Philadelphia, Pennsylvania, and for the Underwriter by its counsel, Kutak Rock LLP, Omaha, Nebraska.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

CONTINUING DISCLOSURE

It has been determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the 2024 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 has entered into a continuing disclosure agreement (the "Disclosure Agreement"), a form of which is attached as Appendix G, with the Trustee for the benefit of the holders and beneficial owners of the 2024 Bonds. Under the Disclosure Agreement, the Borrower will be obligated, while any 2024 Bonds remain outstanding, to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board. Information filed with EMMA may be obtained at www.emma.msrb.org.

The Refunded Bonds, as remarketed in 2014, were exempt from the provisions of Rule 15c2-12. In conjunction with such remarketing, the Borrower agreed to provide certain continuing disclosure information directly to the purchaser of the Refunded Bonds until such time as the Refunded Bonds were no longer exempt from Rule 15c2-12.

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 Disclosure Agreement will not be an "Event of Default" under the Mortgage, the Loan Agreement, the Indenture or under any other Financing Document, and the sole and exclusive remedy for such failure shall be an action brought by or on behalf of the holders of the 2024 Bonds to compel specific performance of the Borrower's continuing disclosure obligations, as described above.

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 2024 Bonds, the Loan Agreement, the Indenture, the other Financing Documents, 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 Official Statement and in the Appendices hereto should not be construed as representing all of the conditions affecting the Issuer, the Borrower, the Underwriter or the 2024 Bonds.

At closing of the issuance and sale of the 2024 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 2024 Bonds or performance under the Financing Documents. In addition, the Borrower will represent to the Underwriter and the Issuer in the Bond Purchase Agreement that the information contained in this Official Statement relating to itself and the Student Housing Facilities 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 Official Statement relating to itself and certain information relating to the Student Housing Facilities. The Issuer has furnished only the

information contained in this Official Statement relating to itself under the headings "THE ISSUER" and "LITIGATION." The University has furnished the information contained in this Official Statement relating to itself and certain information relating to the Student Housing Facilities. The Underwriter has furnished the information contained in this Official Statement under the heading "UNDERWRITING" and has furnished the information with respect to the public offering prices of the 2024 Bonds contained on the cover page of this Official Statement.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the 2024 Bonds.

The distribution of this Official Statement has been duly authorized by the Issuer and has been duly approved by the Borrower. The Issuer has not assisted in the preparation of this Official Statement, except for the statements pertaining to the Issuer under the captions "THE ISSUER" and "LITIGATION" herein and, except as aforesaid, the Issuer is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the 2024 Bonds, the Issuer has not otherwise assisted in the public offer, sale or distribution of the 2024 Bonds. Accordingly, except as aforesaid, the Issuer assumes no responsibility for the disclosures set forth in this Official Statement.

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THE CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: */s/ Louis B. Kupperman*
Chairman

UNIVERSITY STUDENT HOUSING, LLC

By: */s/ Debra Cornelius*
Executive Director

By: */s/ Christina Gerenza*
Chief Financial Officer

[Signature Page to Official Statement]

APPENDIX A

FORM OF INDENTURE

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CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

TD BANK, NATIONAL ASSOCIATION,

as Trustee

INDENTURE OF TRUST

Dated as of October 1, 2024

Securing

$82,920,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024A

$2,180,000
Chester County Industrial Development Authority
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024B (Federally Taxable)

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 4
Section 1.01 Definitions. 4
Section 1.02 Uses of Phrases. 12
ARTICLE II THE BONDS 13
Section 2.01 Authorized Amount and Issuance of 2024 Bonds. 13
Section 2.02 Issuance and Terms of Bonds. 13
Section 2.03 Execution; Limited Obligations. 14
Section 2.04 Authentication. 14
Section 2.05 Forms of Bonds. 14
Section 2.06 Authentication and Delivery of Bonds. 14
Section 2.07 Mutilated, Lost, Stolen or Destroyed Bonds. 15
Section 2.08 Transfer of Bonds; Persons Treated as Owners. 15
Section 2.09 Destruction of Bonds. 16
Section 2.10 Temporary Bonds. 16
Section 2.11 Book-Entry System. 16
Section 2.12 Issuance of Additional Bonds. 18
ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY 19
Section 3.01 Extraordinary Redemption. 19
Section 3.02 Mandatory Sinking Fund Redemption. 19
Section 3.03 Optional Redemption by the Borrower. 20
Section 3.04 Notice of Redemption. 20
Section 3.05 Redemption Payments. 21
Section 3.06 Cancellation. 21
Section 3.07 Partial Redemption of Bonds. 21
ARTICLE IV GENERAL COVENANTS 22
Section 4.01 Payment of Principal, Premium, if any, and Interest. 22
Section 4.02 Performance of Covenants. 22
Section 4.03 Instruments of Further Assurance. 23
Section 4.04 Recording and Filing. 23
Section 4.05 Inspection of Books. 23
Section 4.06 List of Owners of Bonds. 23
Section 4.07 Rights Under Agreement, the Ground Lease and the Mortgage. 23
ARTICLE V REVENUES AND FUNDS 24
Section 5.01 Creation of Funds. 24
Section 5.02 Payments into the Funds. 25
Section 5.03 Use of Money in Funds. 26
ARTICLE VI INVESTMENT OF MONEYS 31
Section 6.01 Investment of Moneys. 31
Section 6.02 Nonpresentment of Bonds. 36
Section 6.03 Moneys to be Held in Trust. 36
Section 6.04 Repayment to the Borrower from the Bond Fund or the Project Fund. 36
ARTICLE VII DISCHARGE OF INDENTURE 37
Section 7.01 Discharge of Indenture. 37
Section 7.02 Defeasance of Bonds. 37
ARTICLE VIII DEFAULTS AND REMEDIES 38
Section 8.01 Defaults. 38
Section 8.02 Acceleration. 39
Section 8.03 Other Remedies; Rights of Owners of Bonds. 39

Section 8.04 Right of Owners of Bonds to Direct Proceedings. 40
Section 8.05 Appointment of Receivers. 40
Section 8.06 Waiver. 40
Section 8.07 Application of Moneys. 40
Section 8.08 Remedies Vested in Trustee. 42
Section 8.09 Rights and Remedies of Owners of Bonds. 42
Section 8.10 Termination of Proceedings. 42
Section 8.11 Waivers of Default. 42
Section 8.12 Notice of Defaults under Section 8.01 (c), (d) or (e); Opportunity to Cure Such Defaults. 43
ARTICLE IX TRUSTEE 43
Section 9.01 Acceptance of Trusts. 43
Section 9.02 Fees, Charges and Expenses of the Trustee. 46
Section 9.03 Notice to Owners of Bonds if Default Occurs. 47
Section 9.04 Intervention by the Trustee. 47
Section 9.05 Successor Trustee. 47
Section 9.06 Resignation by the Trustee. 47
Section 9.07 Removal of the Trustee. 47
Section 9.08 Appointment of Successor Trustee by Owners of Bonds. 48
Section 9.09 Acceptance by Successor Trustee. 48
Section 9.10 Appointment of Co-Trustee. 49
Section 9.11 Notice to Rating Agency. 49
ARTICLE X SUPPLEMENTAL INDENTURES 50
Section 10.01 Supplemental Indentures Not Requiring Consent of Owners of Bonds. 50
Section 10.02 Supplemental Indentures Requiring Consent of Owners of Bonds. 51
Section 10.03 Consent of the Borrower. 52
Section 10.04 Amendment without Consent of Issuer. 52
Section 10.05 Execution of Amendments and Supplements by Trustee. 52
ARTICLE XI AMENDMENT OF AGREEMENT 52
Section 11.01 Amendments to Agreement and/or Mortgage Not Requiring Consent of Owners of Bonds. 52
Section 11.02 Amendments to Agreement and/or Mortgage Requiring Consent of Owners of Bonds. 53
ARTICLE XII MISCELLANEOUS 53
Section 12.01 Consents of Owners of Bonds. 53
Section 12.02 Limitation of Rights. 54
Section 12.03 Severability. 54
Section 12.04 Notices. 54
Section 12.05 Payments Due on Saturdays, Sundays and Holidays. 55
Section 12.06 Counterparts. 55
Section 12.07 Applicable Provisions of Law. 55
Section 12.08 Rules of Interpretation. 55
Section 12.09 Captions. 55
Section 12.10 No Personal Liability. 55
ARTICLE XIII BOND INSURER PROVISIONS 56
Section 13.01 Bond Insurer Provisions. 56

EXHIBIT A Form of Series A Bond……..A-1
EXHIBIT B Form of Series B Bond……..B-1
EXHIBIT C Bond Insurer Provisions……..C-1

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture"), dated as of October 1, 2024, is between the Chester County Industrial Development Authority, a public body corporate and politic and an instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") created and existing under the laws of the Commonwealth (the "Issuer") and TD Bank, National Association, as trustee, a national banking association (together with its successors and assigns, the "Trustee");

W I T N E S S E T H :

WHEREAS, the Issuer is a body corporate and politic organized and existing under the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended; and

WHEREAS, in furtherance of the public purpose for which the Issuer was created, the Issuer is issuing its $82,920,000 in aggregate principal amount of Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A (the "Series A Bonds") and $2,180,000 in aggregate principal amount of Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (Federally Taxable) (the "Series B Bonds", and together with the Series A Bonds, the "2024 Bonds") pursuant to this Indenture; and

WHEREAS, the Issuer is loaning the proceeds of the sale of the 2024 Bonds to University Student Housing, LLC, a Pennsylvania limited liability company (the "Borrower"), exempt from taxation under Section 501(a) of the Code, whose sole member is West Chester University Foundation (the "Foundation"), a Pennsylvania nonprofit corporation exempt from taxation under Section 501(a) of the Code, pursuant to a Loan Agreement (the "Agreement") dated as of October 1, 2024 between the Issuer and the Borrower, to finance (i) the current refunding of all of the Authority's Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 (the "Refunded Bonds"); (ii) miscellaneous capital expenditures within and for the benefit of students attending West Chester University of Pennsylvania of the Pennsylvania State System of Higher Education (the "New Money Project"), including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "Student Housing Facilities"); (iii) necessary reserves, including the funding of all or a portion of debt service reserves, if needed or desired; (iv) appropriate credit enhancement or bond insurance, if needed or desired; (v) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds; and (vi) payment of the costs of issuance of the 2024 Bonds (collectively (i) through (vi) is defined as the "Project"); and

WHEREAS, the Issuer has determined that the issuance, sale and delivery of the 2024 Bonds in the aggregate principal amount of $85,100,000 is necessary to finance the Project; and

WHEREAS, the Authority, on March 25, 2008, issued the Refunded Bonds for the purpose of financing a project consisting of the construction of the Student Housing Facilities, two 7-story on-campus student-residence buildings in order to provide approximately 1,258 beds for the benefit of students attending West Chester University of Pennsylvania (the "University"); and

WHEREAS, in connection with certain changes in the market and credit conditions, the Refunded Bonds were reissued in 2009, 2012 and 2014 and are currently outstanding in the aggregate principal amount of $76,160,000; and

WHEREAS, the Student Housing Facilities were constructed and are operated by the Borrower pursuant to a Ground Lease between the University and the Borrower dated as of March 1, 2008, as the same may be amended from time to time; and

WHEREAS, in order to secure the 2024 Bonds, the Borrower is entering into the Mortgage for the benefit of the Trustee; and

WHEREAS, all things necessary to make the 2024 Bonds 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, and to constitute this Indenture a valid assignment and pledge of the payments under the Agreement (except for "Reserved Rights" as hereinafter defined) for payment of the principal of, premium, if any, and interest on the 2024 Bonds, and to constitute this Indenture a valid assignment of the rights of the Issuer under the Agreement except as otherwise stated herein, have been done and performed, and the creation, execution and delivery of this Indenture, and the issuance of the 2024 Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the Borrower has been organized as a wholly owned subsidiary of the Foundation and the Internal Revenue Service has issued separate letters determining that each of the Borrower and the Foundation is exempt from taxation under Section 501(a) of the Code.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

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 2024 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 of which is hereby acknowledged, in order to secure (i) the payment of the principal of, premium, if any, and interest on the 2024 Bonds according to their tenor and effect, and (ii) the performance and observance by the Issuer of all the covenants expressed herein and in the Bonds, does hereby assign and grant a security interest in the following to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth.

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer (except for Reserved Rights) in and to the Agreement, the Mortgage, the Ground Lease, the Assignment of Rents and Leases, the Service Agreement and the Cooperation Agreement, including, but not limited to, the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Agreement or any other such agreement, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Agreement or any other such agreement.

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the Gross Revenues.

GRANTING CLAUSE THIRD

All right, title and interest of the Issuer in and to all moneys and securities from time to time held by the Trustee under the terms of this Indenture, provided that moneys held in the Rebate Fund may only be applied as provided herein.

GRANTING CLAUSE FOURTH

Any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security herewith, by the Borrower or any other person on its behalf or with its written consent or by the Issuer or any other person on its behalf or with its written consent, and the Trustee 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 FIFTH

All cash and non-cash proceeds of any insurance and condemnation proceeds relating to the collateral described in Granting Clauses First through Fourth above.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and 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 without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except in the case of funds held hereunder for the benefit of particular series of Bonds, or particular Owners of Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner set forth in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required hereunder, 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 shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, 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 upon the final payment thereof, this Indenture and the rights hereby granted shall cease, determine and be void, except to the extent specifically provided in Article VII hereof; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the amounts payable under the Agreement and any other amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee, and with the respective Owners of the Bonds as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions.

Unless the context shall otherwise require, the following words and phrases when used in this Indenture shall have the meanings specified in this Section:

"Academic Year" means the period of time commencing with the start of the University's fall term in one calendar year and ending on the day immediately preceding the start of the University's fall term in the subsequent calendar year.

"Act" means the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against the Borrower or any affiliate of the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Additional Bonds" means any bonds issued by the Issuer pursuant to this Indenture other than the 2024 Bonds.

"Additional Rent" has the meaning given to it in the Ground Lease.

"Administrative Fees" means (a) Trustee Fees, and (b) arbitrage rebate calculation and compliance fees.

"Agreement" means the Loan Agreement dated as of the date hereof between the Issuer and the Borrower, and any amendments and supplements thereto.

"Annual Budget" means the budget which sets forth on a month-by-month basis the budgeted Operating Expenses, Debt Service, Replacement Requirement, Base Rent and Additional Rent as required in Section 6.11 of the Agreement.

"Authorized Denominations" means $5,000 and any integral multiple of $5,000 in excess thereof.

"Base Rent" has the meaning given to it in the Ground Lease.

"Bond Counsel" means a firm of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of public obligations and which is acceptable to the Trustee.

"Bond Fund" means the fund created in Section 5.01 hereof, in which there is established a General Account and an Administrative Fees Account.

"Bond Insurance Policy" means the bond insurance policy or financial guaranty insurance policy issued by the Bond Insurer on the date of delivery and payment for the Bonds insuring the scheduled payment when due of the principal of and interest on the Bonds as provided therein.

"Bond Insurer" means Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation, or any successor thereto.

"Bond Insurer Provisions" means the provisions relating to the Bond Insurer and the Bond Insurance Policy with respect to the Bonds authorized by Section 13.01 hereof and attached hereto as Exhibit C.

"Bond Register" means the books of the Issuer kept by the Trustee to evidence the registration and transfer of the Bonds.

"Bonds" means the 2024 Bonds and any Additional Bonds.

"Bondholder" means the person or persons in whose name or names a Bond shall be registered on the books of the Issuer kept by the Trustee for that purpose in accordance with provisions of this Indenture.

"Book-Entry System" means the system maintained by the Securities Depository described in Section 2.11 herein.

"Borrower" means University Student Housing, LLC, a Pennsylvania limited liability company, and its successors and assigns.

"Borrower Representative" means Borrower's Executive Director or other person or persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Borrower by its President or Vice President. Such certificate may designate an alternate or alternates.

"Borrower's Expenses" means the payroll, overhead, professional fees and administration costs of the Borrower incurred in association with the Project, exclusive of Operating Expenses and those payments due the University for deactivated beds on the campus of the University.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which the principal corporate trust office of the Trustee responsible for the administration of this Indenture is required or permitted by law to close, or (c) a day on which the New York Stock Exchange is closed.

"Capitalized Interest" means interest expense on Bonds that is paid with proceeds of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"Commonwealth" means the Commonwealth of Pennsylvania.

"Consultant" means a person, firm, association or corporation who or which is appointed by the Borrower for the purpose of passing on questions relating to the financial affairs, management or operations of the Borrower and, in the good faith opinion of the Borrower, has a favorable reputation for

skill and experience in performing similar services in respect of entities engaged in reasonably comparable endeavors. If any Consultant's report or opinion is required to be given with respect to matters partly within and partly without the expertise of such Consultant, such Consultant may rely upon the report or opinion of another Consultant, which other Consultant shall be reasonably satisfactory to the relying Consultant and the Borrower.

"Cooperation Agreement" means the Cooperation Agreement dated as of March 1, 2008 by and between the University and the Borrower, as amended or supplemented from time to time.

"Cost" or **"Costs"** with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

"Current Revenue Account" means the account created in Section 5.01 hereof.

"Debt Service" means the principal of and premium, if any, and interest on the Bonds.

"Debt Service Requirement" means, for any Fiscal Year for which such determination is made, the aggregate of the payments required to be made in respect of principal of and interest on outstanding Bonds.

"Debt Service Reserve Fund" means the fund created in Section 5.01 hereof.

"Default" means with respect to this Indenture, any Default under this Indenture as specified in and defined by Section 8.01 hereof or with respect to the Agreement, any Default under the Agreement as specified in and defined by Section 8.01 thereof.

"Depository" means the financial institution designated in writing to the Trustee at which the Borrower maintains an account for the deposit of its Gross Revenues.

"Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond (other than any Bond interest which Bond Counsel opined is includible in gross income for federal income tax purposes on the date of issuance of such Bond) is or was includable in the gross income of an Owner of the Bonds for federal income tax purposes; provided, that no such decree, judgment or action will be considered final for this purpose, however, unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until the conclusion of any appellate review, if sought.

"Favorable Opinion of Bond Counsel" means an opinion of nationally recognized bond counsel addressed to the Issuer and the Trustee (for the benefit of the Trustee and the Owners of the Bonds) to the effect that (i) the action proposed to be taken is authorized or permitted by the Act and this Indenture, and (ii) such action will not adversely affect the exclusion from gross income of interest on any Tax-Exempt Bonds for purposes of federal income taxation.

"Fiscal Year" means the twelve month period designated by the Borrower as its fiscal year, and initially means the period commencing on July 1 of each calendar year and ending on June 30 of the following calendar year, unless changed by the Borrower and certified to the Trustee in writing by a Borrower Representative.

"Fitch" means Fitch Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall 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 by written notice to the Trustee.

"Foundation" means West Chester University Foundation and its successors and assigns.

"Government Obligations" means direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which obligations are noncallable.

"Gross Revenues" means all revenues, income, rents, fees, receipts, accounts and money now existing or hereafter acquired which are derived solely from the operation of the Student Housing Facilities or arising in any manner with respect to, incident to or on account of the Borrower's operations solely with respect to the Student Housing Facilities or from services provided by the Borrower solely with respect to the Student Housing Facilities, received in any period by the Borrower, including, but without limiting the generality of the foregoing: (i) accounts receivable, contract rights and general intangibles including, without limitation, bonding, insurance, construction contract penalty and other contract rights pursuant to the construction and other project documents with respect to the development of the Student Housing Facilities; (ii) proceeds derived from (A) insurance solely with respect to the Student Housing Facilities, except to the extent the use thereof is otherwise required by this Indenture, (B) accounts receivable solely with respect to the Student Housing Facilities, (C) securities and other investments representing money or other property otherwise pledged under this Indenture, (D) inventory or other tangible and intangible property solely with respect to the Student Housing Facilities, (E) condemnation awards solely with respect to the Student Housing Facilities except to the extent that the use thereof is otherwise required by this Indenture, (F) general intangibles, contract and other rights and assets now or hereafter owned or held or possessed by or on behalf of the Borrower solely with respect to the Student Housing Facilities; (iii) amounts earned on amounts deposited into the funds and accounts created under this Indenture; (iv) the revenues solely with respect to the Student Housing Facilities of any surviving, resulting or transferee entity provided for in this Indenture; and (v) any gifts, grants, bequests, donations or contributions to the Borrower solely with respect to the Student Housing Facilities.

"**Ground Lease**" means the agreement dated as of March 1, 2008 from the University to the Borrower for the Premises described therein, as amended and supplemented from time to time.

"Income Available for Debt Service" means with respect to any period of time, the excess revenues which constitute Gross Revenues over Operating Expenses related thereto, to which shall be added: Operating Expenses, if any, constituting (a) depreciation, (b) amortization, (c) interest expense, (d) non-cash expenses and reserves accrued during such period for self-insurance purposes and (e) non-cash expenses incurred during such period as a result of any deferred compensation plan for employees, and from which shall be excluded any extraordinary items, any gain or loss resulting from either the extinguishment of indebtedness or the sale, exchange or other disposition of assets not made in the ordinary course of business and any unrealized gains and losses.

"Indenture" means this Indenture, and any amendments or supplements hereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee, director, officer or partner of the Issuer or the Borrower.

"Interest Payment Date" is defined in the form of the applicable series of Bonds hereto.

"Issuance Costs" means all costs that are treated as costs of issuing or carrying the Bonds under existing Treasury Department regulations and rulings, including, but not limited to, (a) underwriter's

spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees (including bond counsel, underwriter's counsel, Issuer's counsel, Borrower counsel, Foundation counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds); (c) financial advisory fees incurred in connection with the issuance of the Bonds; (d) rating agency fees; (e) Trustee Fees incurred in connection with the issuance of the Bonds; (f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (g) accountant fees related to the issuance of the Bonds; (h) printing costs of the Bonds and of the preliminary and final offering materials; (i) publication costs associated with the financing proceedings; (j) costs of engineering and feasibility studies necessary to the issuance of the Bonds; and (k) Issuer's fees and costs that are separately stated and payable by the Borrower.

"Issuer" means Chester County Industrial Development Authority, and its successors and assigns.

"Issuer Representative" means the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Borrower and the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Issuer by its duly authorized agent. Such certificate may designate an alternate or alternates.

"Maximum Debt Service Requirement" means, for any series of Bonds, the maximum Debt Service Requirement of such series for any remaining Fiscal Year.

"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 be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's," with respect to a series or subseries of Bonds, shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower by written notice to the Trustee.

"Mortgage" means the open-end leasehold mortgage and security agreement dated as of October 1, 2024 and effective October 31, 2024 granted by the Borrower for the benefit of the Trustee, as amended and supplemented from time to time.

"Net Proceeds" means the gross proceeds from a sale or disposition of a portion of the Student Housing Facilities or an insurance or condemnation award remaining after payment of all expenses (including attorney fees and any expenses of the Trustee and the Issuer) incurred in the collection of the gross proceeds.

"New Money Project" shall have the meaning set forth in the recitals hereto.

"Operating Account" means the General Operating Account of the Operation and Maintenance Fund created in Section 5.01 hereof.

"Operating Expenses" of the Student Housing Facilities shall mean all current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the Student Housing Facilities, as calculated in accordance with generally accepted accounting principles, and shall include, without limiting the generality of the foregoing, Trustee's expenses and indemnification obligations of the Borrower to the Trustee, Residence Life Expenses, *ad valorem* taxes, marketing expenses, lease payments, insurance premiums, the calculation of any rebate amount owed to the United States pursuant to Section 148 of the Code and related to the Bonds, labor, cost of materials and supplies used for current operations, service fees, other reasonable charges by the University (including all amounts payable to the

University under the Ground Lease), expenses for account services, shuttle services, public safety, cable, telephone, the Office of Information and Instructional Technology and the physical plant and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice (including the Replacement Requirement), but excluding any reserve for renewals or replacements for extraordinary repairs, any allowance for depreciation or any reimbursement of the University of a development expense, and excluding any Borrower's Expenses.

"Operation and Maintenance Fund" means the fund created in Section 5.01 hereof.

"Outstanding" or **"Bonds Outstanding"** means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at, or redemption prior to, maturity;

(b) Bonds paid or deemed paid pursuant to Article VII hereof; and

(c) Bonds in lieu of which others have been authenticated under Section 2.07 or Section 2.08 hereof;

"Owner" means the person or persons in whose name or names a Bond shall be registered on the books of the Issuer kept by the Trustee for that purpose in accordance with provisions of this Indenture.

"Par" means one hundred percent (100%) of the principal amount of any Bond, or of the aggregate principal amount of the Bonds Outstanding, as the context may require, exclusive of accrued interest.

"Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Percentage Rent" has the meaning given to it in the Ground Lease.

"Person" means an individual, corporation, partnership, association, joint stock company, joint venture, trust or other entity or a government or any agency or political subdivision thereof.

"Pledged Revenue Fund" means the fund created in Section 5.01 hereof.

"Prepaid Revenue" means all Gross Revenues representing rents and other revenues for future periods as evidenced by a certificate of a Borrower Representative.

"Prepaid Revenue Account" means the account created in Section 5.01 hereof.

"Principal Office of the Trustee" means the address specified in Section 12.04 hereof or such other address as may be designated in writing to the Issuer and the Borrower.

"Project" is defined by reference to the recitals hereto, as more particularly described in Exhibit A to the Agreement, subject to such additions as provided in an amendment to the Agreement and as may be specified in a Supplemental Indenture in reliance upon a Borrower Representative's certificate.

"Project Fund" means the fund created in Section 5.01 hereof, in which there is established a Construction Account, an Issuance Costs Account, and a Net Proceeds Account.

"Qualified Financial Institutions" means (a) any United States domestic institution whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating within one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by at least two nationally recognized rating agencies, which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated or whose obligations thereunder are guaranteed by a Person whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating within one of the three highest rating categories by at least two nationally recognized rating agencies; (b) an insurance company or corporation with a claims paying ability rated within one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by at least two nationally recognized rating agencies or whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating within one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by at least two nationally recognized rating agencies; or (c) any non-United States institution whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating within one of the three highest rating categories by at least two nationally recognized rating agencies or which are guaranteed by an entity whose unsecured obligations or uncollateralized long-term obligations have been so rated.

"Rating Agency" means Moody's if such agency's ratings are in effect with respect to any Bonds, S&P if such agency's ratings are in effect with respect to any Bonds or Fitch if such agency's ratings are in effect with respect to any Bonds, and their respective successors and assigns. If any of such corporations ceases to act as a securities rating agency, the Borrower may, by written notice to the Trustee, appoint any nationally recognized securities rating agency as a replacement.

"Rebate Fund" means the fund created in Section 5.01 hereof.

"Record Date" is defined in the form of the Bonds attached as Exhibits A, and B hereto.

"Rent Account" means the account by that name created in Section 5.01(f) hereof.

"Replacement Fund" means the fund created in Section 5.01 hereof.

"Replacement Requirement" means $290 per bed for the Fiscal Year ending in 2025 which amount shall increase 3% each Fiscal Year thereafter.

"Requisition" means a written request for a disbursement from the Project Fund, the Replacement Fund or the Surplus Fund, as the case may be, signed by a Borrower Representative, substantially in the form attached to the Agreement as Exhibit B and satisfactorily completed as contemplated by said form.

"Reserved Rights" means amounts payable to the Issuer under Sections 4.02(b) and 7.02 of the Agreement and the right of the Issuer to receive notices.

"Reserve Requirement" means (a) with respect to the Series A Bonds, the Series A Reserve Requirement, (b) with respect to the Series B Bonds, the Series B Reserve Requirement and (c) following the issuance of Additional Bonds of a series for which a debt service reserve has been specified as security pursuant to a Supplemental Indenture hereto, the least of (i) 10% of the original principal amount

of all Bonds so intended to be secured issued pursuant hereto, (ii) Maximum Annual Debt Service on all Bonds so intended to be secured issued and Outstanding pursuant hereto, and (iii) 125% of the average annual debt service on all Bonds issued and Outstanding pursuant hereto.

"Residence Life Expenses" means, with respect to the Student Housing Facilities, the unsubordinated personnel and operational expenses associated with the activities and responsibilities of the Borrower, with respect to management and programmatic functions, including marketing of the housing; resident housing contract administration; occupancy management including processing applications, assignments and changes; unsubordinated fees pursuant to the Service Agreement; summer conference and camps housing programs; residence education, student development and programming; and oversight of the facilities and residents.

"Responsible Officer" when used with respect to the Trustee, means any officer or agent within the corporate trust administrative department of the Trustee, including any vice president, any assistant vice president, any trust officer, or any other officer or agent of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Securities Depository" means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns.

"Series A Bonds" means the "Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A".

"Series A Reserve Account" means the account by that name established in the Debt Service Reserve Fund pursuant to Section 5.01.

"Series A Reserve Requirement" means the amounts required to be deposited and maintained in the Series A Debt Service Reserve Account of the Debt Service Reserve Fund to fund the Series A Reserve Requirement. Such amount shall be the Maximum Annual Debt Service on the Series A Bonds.

"Series B Bonds" means the "Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (Federally Taxable)".

"Series B Reserve Account" means the account by that name established in the Debt Service Reserve Fund pursuant to Section 5.01.

"Series B Reserve Requirement" means the amounts required to be deposited and maintained in the Series B Debt Service Reserve Account of the Debt Service Reserve Fund to fund the Series B Reserve Requirement. Such amount shall be the Maximum Annual Debt Service on the Series B Bonds.

"Service Agreement" means the Master Services Agreement dated as of July 1, 2023, in which the University has agreed to provide certain maintenance, residence life and public safety services for the benefit of the Student Housing Facilities, as amended and supplemented from time to time.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a

securities rating agency, "S&P," with respect to the project, shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower by written notice to the Trustee.

"Subordinated Expenses Account" means the account by that name created in Section 5.01(f) hereof.

"Summer Term" means the University's academic term occurring subsequent to the departure of students upon completion of the University's spring term and prior to the arrival of students in advance of the University's fall term.

"Supplemental Indenture" means a supplemental indenture to this Indenture satisfying the requirements of Article X hereof.

"Surplus Fund" means the fund created in Section 5.01 hereof.

"System Fee Account" means the account by that name created in Section 5.01(f) hereof.

"Tax-Exempt Bonds" means Bonds the interest on which is not, in the opinion of Bond Counsel dated the date of issuance of such Bonds, included in gross income for federal income tax purposes.

"Term of Agreement" means the term of the Agreement as specified in Section 9.01 thereof.

"Trustee" means TD Bank, National Association, a national banking association, and its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor Trustee at the time serving as successor Trustee hereunder.

"Trustee Fees" means the Trustee's fees and expenses, including counsel's fees and expenses, owed to the Trustee as billed by the Trustee and approved in writing by a Borrower Representative.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

"2024 Bonds" means, collectively, (i) the Series A Bonds and (ii) the Series B Bonds.

"University" means West Chester University of Pennsylvania of the State System of Higher Education of the Commonwealth of Pennsylvania, and its successors and assigns.

Section 1.02 Uses of Phrases.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Bondholder," "Owner," "registered owner" and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific sections of the Code refer to such sections of the Code and all successor or replacement provisions thereto.

ARTICLE II

THE BONDS

Section 2.01 Authorized Amount and Issuance of 2024 Bonds.

The total principal amount of 2024 Bonds issued hereunder is limited to $85,100,000 consisting of the following: "Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A" in the aggregate principal amount of $82,920,000 and "Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (Federally Taxable)" in the aggregate principal amount of $2,180,000.

Section 2.02 Issuance and Terms of Bonds.

(a) The Series A Bonds shall be in substantially the form of Exhibit A which is part of this Indenture. The Series A Bonds shall be dated the date of initial authentication and delivery and bear interest from such date and shall be issued in Authorized Denominations. Interest on the Series A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Series A Bonds shall mature (subject to prior redemption) on the dates and in the principal amounts indicated below:

Maturity (August 1)	Principal Amount	Interest Rate
2026	$ 1,350,000	5.000%
2027	1,675,000	5.000
2028	1,755,000	5.000
2029	1,850,000	5.000
2030	2,560,000	5.000
2031	2,685,000	5.000
2032	2,820,000	5.000
2033	2,960,000	5.000
2034	3,110,000	5.000
2035	3,265,000	5.000
2036	3,430,000	5.000
2037	3,600,000	5.000
2038	3,780,000	5.000
2039	3,970,000	5.000
2048	44,110,000	4.000

(b) The Series B Bonds shall be in substantially the form of Exhibit B which is part of this Indenture. The Series B Bonds shall be dated the date of initial authentication and delivery and bear interest from such date and shall be issued in Authorized Denominations. Interest on the Series B Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Series B Bonds shall mature (subject to prior redemption) on August 1, 2029 in the principal amount of $2,180,000 at the interest rate of 5.200%.

(c) The principal and premium, if any, and interest on a series of Bonds shall be payable as provided for in such Bonds.

(d) Series of Additional Bonds shall be in substantially the form, shall bear interest and mature and shall have such other terms as provided in the applicable Supplemental Indenture.

Section 2.03 Execution; Limited Obligations.

The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman of the Issuer (or, if otherwise authorized, the Vice Chairman of the Issuer) and the Issuer's corporate seal shall be affixed thereto or printed or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or Treasurer (or, if otherwise authorized, any assistant secretary or assistant treasurer of the Issuer). All authorized facsimile signatures shall have the same force and effect as if manually signed. The Bonds shall not be general obligations of the Issuer but limited and special obligations payable solely from the amounts payable under the Agreement and other amounts specifically pledged therefor under this Indenture, and shall be a valid claim of the respective Owners thereof only against the Trust Estate, which amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Bonds (except as otherwise specifically provided herein) and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. No Owner of any Bonds has the right to compel any exercise of taxing power (if any) of the Issuer, Chester County or the Commonwealth to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer, Chester County or the Commonwealth or a loan of credit thereof within the meaning of any constitutional or statutory provisions.

Section 2.04 Authentication.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds.

Section 2.05 Forms of Bonds.

The Series A Bonds and Series B Bonds and the certificate of authentication to be endorsed thereon are to be in substantially the form set forth in Exhibits A and B, respectively, attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture. The form of each series of Additional Bonds and the certificate of authentication to be endorsed thereon shall be in substantially the form provided by the applicable Supplemental Indenture.

Section 2.06 Authentication and Delivery of Bonds.

Prior to the authentication and delivery by the Trustee of any series of Bonds, in addition to any additional requirements specified by a related Supplemental Indenture, there shall be filed or deposited with the Trustee:

(a) a copy, certified by the Chairman or Vice Chairman of the Issuer, of all resolutions adopted and proceedings had by the Issuer authorizing the issuance of such Bonds, including the resolution or resolutions authorizing the execution, delivery and performance of this Indenture, any applicable Supplemental Indenture, and the Agreement or applicable loan agreement;

(b) the opinion of Bond Counsel (i) approving the validity of such Bonds, (ii) in the case of Tax-Exempt Bonds, confirming the exclusion from gross income of interest on such Bonds (iii) and, in the case where there are outstanding Tax-Exempt Bonds, to the effect that the issuance of such

Bonds, in and of itself, will not adversely affect the exclusion from gross income of interest on such outstanding Tax-Exempt Bonds; and

(c) a request and authorization to the Trustee on behalf of the Issuer and signed by an authorized officer of the Issuer to authenticate and deliver the applicable series of Bonds in such specified denominations as permitted herein to purchasers thereof upon payment to the Trustee, but for the account of the Issuer, of a specified sum of money. Upon payment of the proceeds to the Trustee, the Trustee shall deposit the proceeds pursuant to Article V hereof.

Section 2.07 Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like date and denomination and series, 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 Issuer or the Trustee, and in the case of any lost, stolen, or destroyed Bond, there first shall be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee, instead of issuing a duplicate Bond, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses for such service. In authenticating a new Bond, the Trustee may conclusively assume that the Issuer is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond or with any indemnity furnished in connection therewith if, after notification of the same, the Trustee has not received within two days following such notification written notice from the Issuer to the contrary.

Section 2.08 Transfer of Bonds; Persons Treated as Owners.

The Trustee shall keep books for the transfer of the Bonds as provided in this Indenture. Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of such series in authorized denominations for a like aggregate principal amount and bearing the same maturity date. Subject to the provisions of Section 2.11 hereof relating to the transfer of ownership of Bonds held in the Book-Entry System, any Bond, upon surrender thereof at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or its attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any denominations authorized by this Indenture in an aggregate principal amount equal to the principal amount of such Bond and of the same series and bearing the same maturity date. In each case, the Trustee may require the payment by the Owner of the Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The Trustee shall not be required to exchange or register a transfer of (a) any Bonds during the fifteen day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part except, in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Subject to the provisions of Section 2.11 hereof relating to Bonds held in the Book-Entry System, the Trustee and the Issuer may treat the person in whose name a Bond is registered as the absolute Owner

thereof for all purposes, and neither the Issuer nor the Trustee shall be bound by any notice or knowledge to the contrary, but such registration may be changed as hereinabove provided. All payments made to the Owner shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.09 Destruction of Bonds.

Subject to the provisions of Section 2.11 hereof relating to Bonds held in the Book-Entry System, whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for replacement pursuant to Section 2.07 hereof, such Bond shall be promptly cancelled and cremated or otherwise destroyed by the Trustee, and, upon the request of the Borrower and the Issuer, counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the Issuer and the Borrower.

Section 2.10 Temporary Bonds.

Until Bonds in definitive form are ready for delivery, the Issuer may execute, and upon the request of the Issuer, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the liens and benefits of this Indenture.

Upon presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, at the request of the Trustee, execute and deliver to the Trustee, and the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Trustee without making any charge therefor to the Owner of such Bond in temporary form. Notwithstanding the foregoing, Bonds in definitive form may be issued hereunder in typewritten form.

Section 2.11 Book-Entry System.

(a) Upon the initial issuance and delivery of the Bonds of a series, the Bonds shall be issued in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository or its designee. A single certificate (or such number of certificates required by the procedures of the Securities Depository) will be issued and delivered to the Securities Depository (or its designee) for the Bonds of each series and the Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate. The Issuer, the Borrower and the Trustee will recognize the Securities Depository or its nominee as the Owner for all purposes, including notices.

(b) The Issuer, the Borrower and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

(c) Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a Book-Entry System at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to

meet the requirements of the Securities Depository as to registering or transferring the book-entry Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Bonds shall, while the Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

(d) Except as otherwise specifically provided in this Indenture and the Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the Issuer, the Trustee and the Borrower may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (i) payment of the principal of, premium, if any, and interest on the Bonds or portion thereof to be redeemed, (ii) giving any notice permitted or required to be given to Owners under this Indenture, and (iii) the giving of any direction or consent or the making of any request by the Owners hereunder, and none of the Issuer, the Trustee, nor the Borrower shall be affected by any notice to the contrary. None of the Issuer, the Borrower or the Trustee will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Bond Register, with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or any other action taken by the Securities Depository or any Participant. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds registered in the name of a nominee of the Securities Depository only to or "upon the order of" the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in Pennsylvania), and all such payments shall be valid and effective to fully satisfy and discharge the Borrower's obligations with respect to the principal of, premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. Notwithstanding anything to the contrary contained herein, any Beneficial Owner may notify the Trustee in writing to furnish notices to which such Beneficial Owner is entitled directly to such Beneficial Owner in which case the Trustee shall do so.

(e) The Book-Entry System may be discontinued by the Trustee and the Issuer, at the direction and expense of the Borrower, and the Issuer and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(i) The Securities Depository determines to discontinue providing its service with respect to the Bonds and no successor Securities Depository is appointed. Such a determination may be made at any time by giving 30 days' notice to the Issuer, the Borrower and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Borrower determines not to continue the Book-Entry System through a Securities Depository.

(f) In the event the Book-Entry System is discontinued, the Trustee shall mail a notice to the Securities Depository for distribution to the Beneficial Owners stating that the Securities Depository will no longer serve as securities depository, the procedures for obtaining Bonds and the provisions of this Indenture which govern the Bonds, including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payment and other related matters.

(g) When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect and the Trustee shall, at the expense of the Borrower, issue Bonds directly to the Beneficial Owners.

Section 2.12 Issuance of Additional Bonds.

Additional Bonds may be authenticated and delivered from time to time to the extent permitted by law and as provided by a Supplemental Indenture ranking on a parity as to lien with the Bonds for the purposes of (i) refunding Bonds previously issued hereunder or under a Supplemental Indenture, or (ii) financing additions, extensions or improvements to the Student Housing Facilities (including for purposes of this Section 2.12, without limitation, such other phases, additions or improvements to the Student Housing Facilities) whether functioning as one or more distinct projects designated by a Borrower Representative to the Trustee and the Issuer. The Issuer shall not issue Additional Bonds unless:

(a) (i) Income Available for Debt Service for the Fiscal Year immediately preceding the Fiscal Year during which such Additional Bonds will become outstanding shall have been at least equal to 120% of the Debt Service Requirement with respect to the Bonds and all proposed Additional Bonds as certified to the Trustee in writing by a Borrower Representative, or (ii) projected Income Available for Debt Service (taking account of projected combined Gross Revenues based upon any additional designations to the Project) for each of the three Fiscal Years subsequent to the completion of the additions, extensions and improvements to the Student Housing Facilities to be financed with the Additional Bonds shall be at least equal to 120% of the Debt Service Requirement with respect to the Bonds and all proposed Additional Bonds in each future Fiscal Year, as certified in writing to the Trustee by a Consultant, or (iii) the proposed Additional Bonds are refunding debt to be applied to refund or refinance Bonds previously issued and after such refunding or refinancing has been accomplished, the Maximum Debt Service Requirement shall not increase by more than 10%, as certified in writing to the Trustee by a Borrower Representative; provided, however, that Additional Bonds for refunding purposes may be issued without demonstrating compliance with the test set forth above in this clause (iii) if the Borrower's Representative demonstrates compliance with the tests set forth in clause (i) or (ii) above;

(b) none of the Bonds or any Additional Bonds then Outstanding are in default as to the payment of Debt Service; and

(c) the Bond Fund and the Debt Service Reserve Fund must be at their proper respective balances as required under this Indenture.

In each case, the Additional Bonds may include additional funds to pay the costs to be incurred in connection with the issuance of the Additional Bonds, to establish reserves with respect to them, and to pay Capitalized Interest and other capitalized fees, if any.

The Issuer shall not issue any Additional Bonds with a CUSIP number identical to any Bond previously issued pursuant to this Indenture.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01 Extraordinary Redemption.

(a) The 2024 Bonds are subject to redemption in whole or in part by the Issuer, at the written direction of a Borrower Representative, from Net Proceeds at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the 2024 Bonds being called for redemption through the first optional redemption date, in the event the Student Housing Facilities shall have been sold or disposed of or damaged or destroyed in an amount in excess of $100,000, or there occurs the condemnation of all or substantially all of the Student Housing Facilities or the taking by eminent domain of such use or control of the Student Housing Facilities.

(b) The extraordinary optional redemption provisions for Additional Bonds shall be specified by Supplemental Indenture.

Section 3.02 Mandatory Sinking Fund Redemption.

The Series A Bonds maturing on August 1, 2048 shall be subject to mandatory sinking fund redemption prior to maturity by the Issuer in part on August 1 of the respective years and in the amount set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

$44,110,000—4.000% Series A Term Bonds

Maturity Date (August 1)	Principal Amount
2040	$4,165,000
2041	4,335,000
2042	4,510,000
2043	4,690,000
2044	4,875,000
2045	5,070,000
2046	5,275,000
2047	5,485,000
2048*	5,705,000

*Final Maturity

The Series B Bonds maturing on August 1, 2029 shall be subject to mandatory sinking fund redemption prior to maturity by the Issuer in part on August 1 of the respective years in the amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

$2,180,000—5.200% Series B Term Bonds

Maturity Date (August 1)	Principal Amount
2026	$ 505,000
2027	530,000
2028	560,000
2029*	585,000

*Final Maturity

The principal amount of Series A Bonds or Series B Bonds so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the Series A Bonds or Series B Bonds, as applicable, of the same maturity as those subject to mandatory redemption (a) surrendered uncancelled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date, (b) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to the optional or extraordinary redemption provisions of the Indenture or (c) purchased by the Trustee out of moneys in the Bond Fund in accordance with this Indenture, if in each case such Series A Bonds or Series B Bonds shall not have previously served as the basis for any such reduction.

Section 3.03 Optional Redemption by the Borrower.

The Series A Bonds maturing on or after August 1, 2033 are subject to redemption prior to maturity at the option of the Issuer, upon the written direction of the Borrower to the Issuer and the Trustee, on or after August 1, 2032, in whole at any time, or in part at any time and from time to time, in any order of maturity specified by the Issuer, at the written direction of the Borrower. Any such redemption shall be made at a redemption price equal to the principal amount of the Series A Bonds to be redeemed plus interest accrued to the date fixed for redemption (provided that if less than all of the Series A Bonds are to be redeemed, the Series A Bonds to be redeemed shall be selected by lot or in such other manner as the Trustee shall determine except as otherwise provided in Section 3.06 hereof).

The Series B Bonds are not subject to optional redemption prior to their maturity.

Section 3.04 Notice of Redemption.

The Borrower shall notify the Trustee in writing of any call for redemption at least ten (10) days prior to the date by which notice of the call for redemption shall be given by the Trustee. Notice of the call for redemption, 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 at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the Bond Insurer and the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in this Section 3.04 shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Any notice of redemption may, on the written request of the Borrower, state (i) that the redemption to be effected is conditioned on 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 are not received or are not legally available or if the notice is rescinded, such notice will be of no force or effect and such Bonds will not be required to be redeemed.

Each notice of redemption given hereunder shall contain the information required in this Section for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the series designation; and (vi) any other descriptive information needed to identify accurately the Bonds being redeemed including any pro rata redemption by series as specified by the Borrower.

Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed. Notwithstanding the foregoing provisions of this Section 3.04, delivery by the Trustee of a copy of a redemption notice to a transferee of a Bond which has been called for redemption, pursuant to the requirements of Section 2.08 hereof, shall be deemed to satisfy the requirements of the first sentence of this Section 3.04 with respect to any such transferee.

Section 3.05 Redemption Payments.

If on or prior to the date fixed for redemption, sufficient moneys shall be on deposit with the Trustee to pay the redemption price of the Bonds called for redemption, the Trustee is hereby authorized and directed to apply such funds to the payment of the principal of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of moneys for redemption at the required times on or prior to the date fixed for redemption, as provided in this Article, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption.

Section 3.06 Cancellation.

All Bonds which have been redeemed shall not be reissued but shall be canceled and cremated or otherwise destroyed by the Trustee in accordance with Section 2.09 hereof.

Section 3.07 Partial Redemption of Bonds.

Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds of authorized denominations, of the same series, interest rate and maturity date, in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Any redemption of less than all of the 2024 Bonds pursuant to Section 3.01(a) shall be applied against each series of Bonds or maturity of Bonds within a series, as closely as practical, on a pro rata basis by series, unless, on the date of such redemption, such series is no longer outstanding, in which case such redemption will be applied solely to the outstanding series.

ARTICLE IV

GENERAL COVENANTS

Section 4.01 Payment of Principal, Premium, if any, and Interest.

The Issuer covenants that it will promptly pay or cause to be paid the principal of, premium, if any, and interest 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, but solely from the amounts pledged therefor which are from time to time held by the Trustee in the various accounts of the Bond Fund. The principal of, premium, if any, and interest on the Bonds are payable from the amounts to be paid under the Agreement and otherwise as provided herein and in the Agreement, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

Neither the Issuer, the Commonwealth nor any political subdivision of the Commonwealth, including Chester County, shall in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer except to the extent that the moneys pledged herein are sufficient therefor. No Owner of any Bonds has the right to compel any exercise of taxing power of the Commonwealth or any political subdivision thereof, including Chester County to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer, the Commonwealth or any political subdivision of the Commonwealth, including Chester County, or a loan of credit of any of the foregoing within the meaning of any constitutional or statutory provision.

Section 4.02 Performance of Covenants.

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture and in the Agreement, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the Commonwealth, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture, to assign the Agreement, and to pledge the amounts to be paid under the Agreement and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the terms thereof and hereof.

Section 4.03 Instruments of Further Assurance.

The Issuer 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 the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer, except as herein and in the Agreement provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the amounts, revenues and receipts payable under the Agreement or its rights under the Agreement.

Section 4.04 Recording and Filing.

The Issuer will cause all financing statements related to this Indenture and all supplements hereto and, Trustee will cause all continuations thereof, to be recorded and filed in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by this Indenture. The Trustee shall prepare, as necessary, and the Borrower and the Issuer hereby authorize the Trustee to file financing continuation statements to all such financing statements, and all other financing statements and documents that shall be necessary or appropriate pursuant to the provisions of this Section.

Section 4.05 Inspection of Books.

All books and records, if any, in the Issuer's possession relating to the Project and the amounts derived from the Project shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 4.06 List of Owners of Bonds.

The Trustee will keep on file a list of names and addresses of the Owners of all Bonds as from time to time registered on the registration books maintained by the Trustee, together with the principal amount and numbers of such Bonds owned by each such Owner. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied for any purpose by the Borrower or by the Owners (or a designated representative thereof) of twenty percent (20%) or more in aggregate principal amount of Outstanding Bonds, such possession or ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee.

Section 4.07 Rights Under Agreement, the Ground Lease and the Mortgage.

The Agreement, the Ground Lease, the Mortgage, the Assignment of Leases and Rents and the Cooperation Agreement, duly executed counterparts of which have been filed with the Trustee, set forth certain covenants and obligations of the Issuer and the Borrower. The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer (other than Reserved Rights) and all obligations of the Borrower under and pursuant to the Agreement, the Ground Lease, the Mortgage, the Assignment of Leases and Rents and the Cooperation Agreement for and on behalf of the Owners of Bonds, and other parties secured by this Indenture, whether or not the Issuer is in default hereunder.

ARTICLE V

REVENUES AND FUNDS

Section 5.01 Creation of Funds.

(a) Pledged Revenue Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated "University Student Housing, LLC – Series 2024 Pledged Revenue Fund" (the "Pledged Revenue Fund") and, within the Pledged Revenue Fund, a Current Revenue Account and a Prepaid Revenue Account.

(b) Rebate Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated "University Student Housing, LLC – Series 2024 Rebate Fund" (the "Rebate Fund").

(c) Bond Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated "University Student Housing, LLC – Series 2024 Bond Fund" (the "Bond Fund"), and within the Bond Fund, a General Account and an Administrative Fees Account. The Series A General Subaccount and the Series B General Subaccount shall be created within the General Account.

(d) Project Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated the "University Student Housing, LLC – Series 2024 Project Fund" (the "Project Fund"), and within the Project Fund, the Series A Construction Account, the Issuance Costs Account (and within such account, a Series A Subaccount and a Series B Subaccount), and the Net Proceeds Account.

(e) Debt Service Reserve Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated the "University Student Housing, LLC – Series 2024 Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), and within the Debt Service Reserve Fund, a Series A Debt Service Reserve Account and a Series B Debt Service Reserve Account.

(f) Operation and Maintenance Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated the "University Student Housing, LLC – Series 2024 Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), and within the Operation and Maintenance Fund, the General Operating Account, the Subordinated Expenses Account, the System Fee Account and the Rent Account.

(g) Replacement Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated the "University Student Housing, LLC – Series 2024 Replacement Fund" (the "Replacement Fund").

(h) Surplus Fund. There is created by this Section by the Issuer and established with the Trustee a trust fund designated the "University Student Housing, LLC – Series 2024 Surplus Fund" (the "Surplus Fund").

Section 5.02 Payments into the Funds.

(a) Pledged Revenue Fund. The Trustee shall deposit into the Current Revenue Account of the Pledged Revenue Fund:

(i) upon receipt, the Gross Revenues, other than Prepaid Revenues, representing rents and other revenues for the current and past periods, transferred monthly as provided in Section 6.10 of the Agreement (or daily pursuant to Section 8.03 hereof upon a Default) (except Net Proceeds in excess of $100,000, which shall be deposited into the Net Proceeds Account in accordance with Section 5.02(d)(iii)) and the Gross Revenues transferred from the Operating Account pursuant to Section 8.03 hereof upon a Default;

(ii) upon receipt, investment earnings on the Pledged Revenue Fund;

(iii) as specified in writing by a Borrower Representative to the Trustee, money from the Prepaid Revenue Account of the Pledged Revenue Fund as may be necessary to allocate prepaid rentals to current revenues; and

(iv) all amounts and at the times which are required by other provisions of this Indenture to be transferred to the Current Revenue Account of the Pledged Revenue Fund.

Upon receipt, the Trustee shall deposit into the Prepaid Revenue Account of the Pledged Revenue Fund all Prepaid Revenue.

(b) Rebate Fund. The Trustee shall deposit into the Rebate Fund amounts required to be paid to the United States under the provisions of Section 148 of the Code as certified to the Trustee in writing by a Borrower Representative.

(c) Bond Fund.

(i) *General Account.* (A) The Trustee shall deposit into the General Account any balance in the Series A Debt Service Reserve Account or the Series B Debt Service Reserve Account of the Debt Service Reserve Fund that exceeds the Series A Reserve Requirement or Series B Reserve Requirement, as applicable, as provided in Section 5.03(e)(ii) hereof; and (B) the Trustee shall deposit into the General Account all other moneys received by the Trustee under and pursuant to any of the provisions hereof or of the Agreement (or other loan agreement related to Additional Bonds) which are required to be, or which are certified to the Trustee in writing by a Borrower Representative accompanied by directions that such moneys are to be paid, into the Bond Fund.

(ii) *Administrative Fees Account*. The Trustee shall deposit into the Administrative Fees Account moneys received by the Trustee from the Pledged Revenue Fund to be used to pay Administrative Fees.

(d) Project Fund.

(i) *Issuance Costs Account.* On the date of original issuance of the 2024 Bonds, the Trustee shall deposit $ 1,816,058.40 and $44,119.25 of the proceeds of the issuance and sale of the Series A Bonds and the Series B Bonds, respectively, into the Series

A Subaccount and the Series B Subaccount of the Issuance Costs Account which will be applied to pay Issuance Costs.

(ii) *Construction Account.* On the date of original issuance of the 2024 Bonds, the Trustee shall deposit $7,000,000 of the proceeds of the issuance and sale of the Series A Bonds into the Series A Subaccount of the Construction Account.

(iii) *Net Proceeds Account.* No deposit to the Net Proceeds Account shall be made on the date of original issuance of the 2024 Bonds. The Trustee shall deposit into the Net Proceeds Account Net Proceeds, if any, in excess of $100,000, as certified to the Trustee in writing by a Borrower Representative to be applied in accordance with Section 5.03(d)(iii)(i).

(e) Debt Service Reserve Fund. On the date of original issuance of the 2024 Bonds, the Trustee shall deposit (i) $5,314,860 of the proceeds of the issuance and sale of the Series A Bonds into the Series A Debt Service Reserve Account of the Debt Service Reserve Fund to fund the Series A Reserve Requirement, and (ii) $619,540 of the proceeds of the issuance and sale of the Series B Bonds into the Series B Debt Service Reserve Account of the Debt Service Reserve Fund to fund the Series B Reserve Requirement. The Trustee shall also deposit into the accounts in the Debt Service Reserve Fund from time to time amounts from the Current Revenue Account of the Pledged Revenue Fund to replenish the Debt Service Reserve Fund in accordance with, and at the times specified in, Section 5.03(a) hereof and any applicable provisions of the Agreement.

(f) Operation and Maintenance Fund. At the times and in accordance with the priority of payments set forth in Section 5.03(a*)* hereof, the Trustee shall transfer amounts from the Current Revenue Account of the Pledged Revenue Fund into (i) the General Operating Account of the Operation and Maintenance Fund, (ii) the Rent Account of the Operation and Maintenance Fund, (iii) the Subordinated Expenses Account of the Operation and Maintenance Fund, and (iv) the System Fee Account of the Operation and Maintenance Fund. Amounts equal to actual Operating Expenses in excess of the budgeted Operating Expenses may be transferred from the Current Revenue Account of the Pledged Revenue Fund into the General Operating Account of the Operation and Maintenance Fund on any date, at the request of, and as certified to, the Trustee in writing by a Borrower Representative.

Any amounts in any accounts of the Operation and Maintenance Fund at the end of each Fiscal Year shall, upon written certification by the Borrower Representative to the Trustee that any such amount is no longer required by the Annual Budget for operation and maintenance expenses, be transferred to the Surplus Fund.

(g) Replacement Fund. In accordance with the priority of payments set forth in Section 5.03(a) hereof, the Trustee shall transfer amounts from the Current Revenue Account of the Pledged Revenue Fund into the Replacement Fund.

(h) Surplus Fund. At the times and in accordance with the priority of payments set forth in this Section 5.02 and in Section 5.03(a) hereof, the Trustee shall transfer all remaining amounts from the Current Revenue Account of the Pledged Revenue Fund into the Surplus Fund.

Section 5.03 Use of Money in Funds.

(a) Pledged Revenue Fund. Except as otherwise provided in this Indenture, moneys in the Current Revenue Account of the Pledged Revenue Fund will be used as provided in this Section 5.03(a) (or for payment of Debt Service, when the other moneys in the Bond Fund are insufficient

therefor). The Issuer authorizes and directs the Trustee on the 25th day of each month commencing on the 25th day of the first month in which Gross Revenues are deposited to the Pledged Revenue Fund, provided, however, if the twenty-fifth day is not a Business Day, on the next succeeding Business Day, to withdraw funds from the Current Revenue Account of the Pledged Revenue Fund to effectuate all the transfers of funds contemplated by this Section 5.03(a) in the following order of priority:

(i) FIRST, to the Rebate Fund and applied to pay amounts required to be paid to the United States with respect to the Bonds as certified to the Trustee in writing by a Borrower Representative.

(ii) SECOND, to the System Fee Account of the Operation and Maintenance Fund until the amount therein equals the budgeted amount of the System Fee payable pursuant to Section 2.5 of the Ground Lease for the next succeeding month of the current Fiscal Year as certified to the Trustee in writing by a Borrower Representative.

(iii) THIRD, on a *pro rata* basis (A) to the General Account of the Bond Fund, and *pro rata* within the General Account to the Series A General Subaccount and the Series B General Subaccount, until there shall be on deposit therein amounts sufficient to fund the next succeeding month's portion of Debt Service for the current Fiscal Year (including any provision for mandatory sinking fund redemptions); provided, however, that in the twelve (12) months preceding the final maturity of the Series A Bonds and the Series B Bonds, as applicable, required transfers shall be net of amounts on deposit in the Series A Debt Service Reserve Account and the Series B Debt Service Reserve Account, as applicable, and (B) to the Administrative Fees Account of the Bond Fund, until there shall be on deposit therein amounts sufficient to pay any Administrative Fees due during the next succeeding month all as certified to the Trustee in writing by a Borrower Representative.

(iv) FOURTH, to the General Operating Account of the Operation and Maintenance Fund until there shall be on deposit therein an amount equal to the budgeted Operating Expenses for the next succeeding month in accordance with Section 5.02(f) hereof as certified to the Trustee in writing by a Borrower Representative. Once an amount equal to the budgeted Operating Expenses for the Student Housing Facilities for the next succeeding month has been deposited into the General Operating Account of the Operation and Maintenance Fund, no further funds shall be transferred into the General Operating Account of the Operation and Maintenance Fund until the 25th day of the next succeeding month except as provided in Section 5.02(f).

(v) FIFTH, to the Replacement Fund until an amount equal to the proportionate Replacement Requirement for the current Fiscal Year, based on twelve equal monthly installments, has been deposited into the Replacement Fund in accordance with Section 5.02(g) hereof, as set forth in the Annual Budget. Once an amount equal to the Replacement Requirement for the current Fiscal Year has been deposited into the Replacement Fund, no further funds shall be transferred into the Replacement Fund until the beginning of the next succeeding Fiscal Year.

(vi) SIXTH, to the Series A Debt Service Reserve Account and the Series B Debt Service Reserve Account in twelve equal monthly installments until there shall be on deposit therein amounts sufficient to maintain in such Accounts of the Debt Service Reserve Fund at an amount not less than as specified in Section 5.03(e)(ii), as certified to the Trustee in writing by a Borrower Representative.

(vii) SEVENTH, to the Subordinated Expenses Account of the Operations and Maintenance Fund to pay the Borrower's Expenses and fees subordinated to Operating Expenses pursuant to the Service Agreement until the amount therein equals the budgeted amount of the Borrower's Expenses and subordinated Service Agreement fees due under the Annual Budget prepared pursuant to Section 6.11 of the Agreement payable as certified to the Trustee in writing by the Borrower Representative.

(viii) EIGHTH, to the Rent Account of the Operation and Maintenance Fund equal to the budgeted and required Base Rent for the next succeeding month, including any accrued but unpaid amounts, pursuant to the Ground Lease, as certified to the Trustee in writing by a Borrower Representative. Once an amount equal to the budgeted Base Rent for the Student Housing Facilities for the next succeeding month has been deposited into the Rent Account of the Operation and Maintenance Fund, no further funds shall be transferred into the Rent Account of the Operation and Maintenance Fund until the 25th day of the next succeeding month.

(ix) NINTH, all remaining amounts on deposit in the Current Revenue Account of the Pledged Revenue Fund shall next be transferred to the Surplus Fund and used in accordance with Section 5.03(i) hereof.

(b) Rebate Fund. Money in the Rebate Fund will be used to pay amounts required to be paid to the United States with respect to the Bonds under the provisions of Section 148 of the Code as certified to the Trustee in writing by a Borrower Representative.

(c) Bond Fund. Except as provided in Section 6.04 hereof, moneys in the various accounts of the Bond Fund shall be used solely for the payment of the Debt Service on the related series of Bonds and for the redemption of the related series of Bonds prior to maturity and for the payment of Administrative Fees.

(i) *Administrative Fees Account.* Money in the Administrative Fees Account shall be used to pay Administrative Fees.

(ii) *General Account*. Money in the various subaccounts of the General Account from moneys transferred by the Trustee for such purpose will be used to pay Debt Service on the related series of Bonds.

If on any Interest Payment Date or redemption date, there is not enough money in the various accounts of the Bond Fund to make all the required payments of Debt Service, the Trustee shall transfer sufficient money for such purpose first, from the available amounts in the Surplus Fund, second, from the Subordinated Expenses Account of the Operations and Maintenance Fund, third, from the Replacement Fund, fourth, only with respect to those series of Bonds secured by the Debt Service Reserve Fund, from the applicable account of the Debt Service Reserve Fund, and fifth, from the Current Revenue Account of the Pledged Revenue Fund.

(d) Project Fund.

(i) *Issuance Costs Account.* Money in the Issuance Costs Account will be used to pay Issuance Costs or to reimburse the Borrower for Issuance Costs actually paid by it and eligible for reimbursement. The Issuer authorizes and directs the Trustee from time to time to withdraw sufficient funds from the Issuance Costs Account to fund each disbursement required to be made for other Issuance Costs in accordance with Section 3.03 of the Agreement.

(ii) *Construction Account.* Money in the Construction Account will be used to pay Costs of the New Money Project or to reimburse the Borrower for Costs of the New Money Project actually paid by it and eligible for reimbursement. The Borrower Representative authorizes and directs the Trustee from time to time to withdraw sufficient funds from the Construction Account to fund each disbursement required to be made in accordance with Section 3.03 of the Agreement. Withdrawals from all Accounts of the Project Fund, collectively, shall be made not more frequently than three times per calendar month.

(iii) *Net Proceeds Account.* Money in the Net Proceeds Account will be used as provided in Section 5.02 or 5.03 of the Agreement.

1) If the Borrower elects under Section 5.02 or 5.03 of the Agreement to have the Net Proceeds used to redeem the Bonds, the Trustee is authorized and directed to transfer to the General Account of the Bond Fund amounts on deposit in the Net Proceeds Account one Business Day prior to the day amounts are needed for such purposes. Such redemption shall be done in accordance with Article III of this Indenture.

2) If the Borrower proceeds under Section 5.02 or 5.03 of the Agreement to have the Net Proceeds applied to the reconstruction or replacement of the property in connection with which the Net Proceeds were received, upon receipt of notice in writing from a Borrower Representative to such effect, the Trustee is authorized and directed to hold the Net Proceeds in the Net Proceeds Account and apply it to the payment of the costs of the reconstruction or replacement as provided in Section 5.03(d)(ii) hereof as if those costs were Costs of the Project.

In the event that the Bonds are declared due and payable prior to maturity for any reason hereunder, money in any account of the Project Fund will be immediately transferred to the General Account of the Bond Fund to the extent needed to pay unpaid principal of, premium, if any, or interest on the Bonds.

Payment or provision for payment of all Costs of the New Money Project shall be evidenced by the filing with the Trustee of the final requisition as required by Section 3.05 of the Agreement. As soon as practicable and in any event not more than sixty (60) days from the date of the final requisition referred to in the preceding sentence, any balance remaining in the Project Fund (except amounts the Borrower Representative shall have directed the Trustee in writing to retain for any Cost of the Project not then due and payable) shall without further authorization be transferred into the General Account of the Bond Fund and thereafter applied in the manner provided in Section 3.05 of the Agreement.

(e) Debt Service Reserve Fund.

(i) Moneys in the various accounts of the Debt Service Reserve Fund shall be used only for the purpose of the payment of Debt Service on the related series of Bonds when the moneys in the Bond Fund, the Surplus Fund, the Subordinated Expenses Account, the Replacement Fund and the Pledged Revenue Fund are insufficient therefor and for no other purpose. Notwithstanding the foregoing, any moneys remaining in the Series B Debt Service Reserve Account of the Debt Service Reserve Fund after the Series B Bonds are no longer Outstanding, shall be applied to the Series A Debt Service Reserve Account of the Debt Service Reserve Fund.

(ii) The amount required to be on deposit in the Debt Service Reserve Fund shall be recomputed by the Borrower as of the last day of each of the Borrower's fiscal years and certified in writing to the Trustee by a Borrower Representative not later than September 1 of each year. If the balance in the Debt Service Reserve Fund is below the Reserve Requirement (whether as a result of withdrawal of moneys to pay Debt Service or as a result of a devaluation in the investments therein), such deficiency shall be restored through the transfer of funds from the Pledged Revenue Fund as provided in Section 5.03(a) hereof. If the balance in any account in the Debt Service Reserve Fund exceeds the applicable Reserve Requirement, such excess, except to the extent that any Supplemental Indenture provides otherwise with respect to any excess related to Additional Bonds, shall be transferred within 30 days of receipt of such certification, beginning February 1, 2026, to the General Account of the Bond Fund for the related series of Bonds to be used to pay Debt Service.

(f) Operation and Maintenance Fund. Pursuant to written direction from the Borrower to the Trustee:

(i) *General Operating Account.* Moneys in the General Operating Account shall be used to pay Operating Expenses.

(ii) *Subordinated Expenses Account.* Moneys in the Subordinated Expenses Account shall be used to pay the Borrower's Expenses and fees subordinated to Operating Expenses pursuant to the Service Agreement, if any.

(iii) *System Fee Account.* Moneys in the System Fee Account shall be used to pay the System Fee due under Section 2.5(b) of the Ground Lease.

(iv) *Rent Account.* Moneys in the Rent Account shall be used to pay Base Rent.

(g) Replacement Fund. Moneys in the Replacement Fund may be used (i) for the purpose of constructing or acquiring replacements of real or personal property that have become worn out, unusable or otherwise obsolete or replacing broken furniture, (ii) for the purpose of making capital improvements to the New Money Project, (iii) for the purpose of making renewals, betterments or other expenditures required to maintain the New Money Project, (iv) for the purpose of reimbursing the Borrower for amounts theretofore expended by the Borrower for the foregoing purposes, or (v) for the payment of Debt Service when the moneys in the Bond Fund, the Surplus Fund and the Subordinated Expenses Account are insufficient therefor, in each case (other than in the case of (v)) upon presentation to the Trustee of a Requisition, certified by a Borrower Representative.

(h) Surplus Fund. Upon written request of the Borrower, moneys in the Surplus Fund shall be used in this order of priority: (i) to pay all Costs with respect to the Project or the operation of the Student Housing Facilities, (ii) to pay amounts required to be paid to the United States as certified in writing by a Borrower Representative, (iii) to pay Additional Rent and Percentage Rent, and (iv) to redeem Bonds pursuant to Section 3.03 hereof.

Notwithstanding the foregoing paragraph, the Trustee shall transfer moneys from the Surplus Fund at any time to make up any shortfall in funding the deposits and payments required pursuant to Section 5.03 hereof, subject to the order of priority set forth in Section 5.03 hereof.

Moneys remaining in the Surplus Fund shall be disbursed as directed in writing by a Borrower Representative annually, following receipt by the Trustee of (i) the Borrower's annual audited financial statement for the immediately preceding Fiscal Year, and (ii) a certificate executed by a Borrower Representative certifying that the following conditions have been met (such conditions being referred to herein as the "Release Test"): (A) no Event of Default has occurred and is continuing hereunder, (B) the Debt Service Reserve Fund was not drawn upon during the most recently completed Fiscal Year, and (C) the Borrower is in compliance with the covenant set forth in Section 6.08 of the Loan Agreement for the most recently completed Fiscal Year.

In the event the Borrower fails to meet the Release Test for any Fiscal Year, all moneys held in the Surplus Fund shall be retained in the Surplus Fund until applied in accordance with the first and second paragraphs of this Section, or until the Release Test is satisfied in a subsequent Fiscal Year.

ARTICLE VI

INVESTMENT OF MONEYS

Section 6.01 Investment of Moneys.

(a) Any moneys held as a part of the Project Fund shall be invested or reinvested by the Trustee, to the extent permitted by law, at the written request of and as directed by a Borrower Representative, in any of the following qualified investments:

(i) Bonds or obligations of counties, municipal corporations, school districts, political subdivisions, authorities or bodies which are rated at the time of purchase in one of the two highest rating categories by any Rating Agency;

(ii) Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government;

(iii) Obligations of agencies of the United States Government issued by the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Farm Credit System, Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and the Central Bank for Cooperatives;

(iv) Bonds or other obligations issued by any Public Housing Agency or Municipal Corporation in the United States, which bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States Government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation

in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States Government;

(v) Certificates of deposit, time deposits or any other deposit with national or state banks which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and building and loan associations which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association or building and loan association acting as depositary, custodian or trustee for the Bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, if any, shall be secured by deposit, with any Federal Reserve Bank, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association, of one or more the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of any state or of any county or municipal corporation, obligations of the United States or subsidiary corporations included in paragraph (ii) hereof, obligations of the agencies of the United States Government included in paragraph (iii) hereof or bonds, obligations or project notes of public housing agencies, urban renewal agencies or municipalities included in paragraph (iv) hereof;

(vi) Repurchase agreements with respect to obligations included in (i), (ii), (iii), (iv) or (v) above and any other investments to the extent at the time permitted by then applicable law for the investment of public funds;

(vii) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company (including any bank or trust company acting as depositary, custodian or trustee for the Bonds) which is rated at the time of purchase in one of the two highest categories by any rating agency and which holds such proceeds as trustee or by an affiliate thereof so long as:

1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraph (ii) hereof and repurchase agreements fully collateralized by any such obligations;

2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value;

4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers;

(viii) Commercial paper which is rated at the time of purchase at "P-1" or better by Moody's and "A-1" or better by S&P and which matures not more than 270 calendar days after the date of purchase;

(ix) Investment agreements with Qualified Financial Institutions;

(x) Investments in a money market fund rated at the time of purchase "AAAm" or "AAAm-G " or better by S&P; and

(xi) Any other investments permitted by the laws of the Commonwealth.

(b) Any moneys held as a part of any account of the Bond Fund, the Debt Service Reserve Fund or the Rebate Fund shall be invested or reinvested by the Trustee, at the written direction of a Borrower Representative, in (i) direct obligations of, or obligations the timely payment of principal and interest on which are fully and unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof so long as such obligations are rated at the time of purchase "A" or "A2" or better by S&P and Moody's, respectively, (ii) commercial paper of any corporation organized under the laws of any state of the United States of America payable in the United States of America, rated at the time of purchase "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase, and (iii) investment agreements, forward purchase agreements, forward supply or delivery agreements that have been approved in writing by the Bond Insurer or money market funds with respect to (i) or (ii) above which are provided by an entity rated at the time of purchase in one of the three highest rating categories by both Moody's and S&P; in each of the foregoing cases with such maturities as shall be required in order to assure full and timely payment of amounts required to be paid from the Bond Fund, the Debt Service Reserve Fund or the Rebate Fund, which maturities shall, in the case of the Bond Fund, extend no more than thirty (30) days from the date of acquisition thereof and, in the case of the Debt Service Reserve Fund, extend or be subject to repurchase no more than ten (10) years from the date of acquisition.

(c) The Pledged Revenue Fund, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Replacement Fund, the Surplus Fund and each account holding Gross Revenues shall be invested at the written direction of a Borrower Representative in any of the following investments:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below);

(ii) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

(iii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly the Farmers Home Administration)

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

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

- Senior debt obligations rated at the time of purchase "Aa" by Moody's and " AA+" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Obligations of the Farm Credit System
- Senior debt obligations of the Federal Home Loan Bank System;

(v) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing no more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(vi) Certificates of deposit, time deposits or any other deposit with national or state banks which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and building and loan associations which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association or building and loan association acting as depositary, custodian or trustee for the Bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, if any, shall be secured by deposit, with any Federal Reserve Bank, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association, of one or more the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of any state or of any county or municipal corporation, obligations of the United States or subsidiary corporations included in paragraph (ii) hereof, obligations of the agencies of the United States Government included in paragraph (iii) hereof or bonds, obligations or project notes of public housing agencies, urban renewal agencies or municipalities included in paragraph (iv) hereof;

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

(viii) Investments in a money market fund rated at the time of purchase "AAAm" or "AAAm-G " or better by S&P;

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

1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), at the time of purchase in the highest rating category of S&P and Moody's or any successors thereto; or

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

(x) Municipal obligations rated at the time of purchase "Aaa/AAA" or general obligations of states with a rating of at least "A2/A" or higher by both Moody's and S&P;

(xi) Investment agreements with Qualified Financial Institutions; and

(xii) Repurchase agreements with respect to obligations included in (ii), (iii), (iv), (ix) or (x) above and any other investments to the extent at the time permitted by then applicable law for the investment of public funds.

(d) The Trustee may make any and all such investments through its own bond or investment department or the bond or investment department of any bank or trust company under common control with the Trustee. All such investments shall at all times be a part of the fund or account from which the moneys used to acquire such investments shall have come and all income and profits on such investments shall be credited to, and losses thereon shall be charged against, such fund. All investments hereunder shall be registered in the name of the Trustee, as Trustee under this Indenture. All investments hereunder shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of investments of funds in any account of the Bond Fund whenever the cash balance in such account of the Bond Fund is insufficient, together with any other funds available therefor, to pay the principal of, premium, if any, and interest on the Bonds when due. The Trustee shall not be responsible for any reduction of the value of any investments made hereunder or any losses incurred in the sale of such investments.

(e) Each of the Issuer and the Borrower covenants and certifies to and for the benefit of the Owners of the Bonds from time to time Outstanding that so long as any of the Bonds remain Outstanding, it shall not direct that moneys on deposit in any fund or account in connection with the Bonds (whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources), be used in a manner which will cause the Tax-Exempt Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such covenants, the Issuer obligates itself to comply throughout the term of the Bonds with any request of the Borrower regarding the requirements of Section 148 of the Code, and any regulations promulgated thereunder.

(f) In the case of Outstanding Tax-Exempt Bonds, unless an opinion is rendered by Bond Counsel to the effect that the following actions are not required in order to maintain the exclusion of the interest on the Outstanding Tax-Exempt Bonds from gross income for federal income tax purposes, the Issuer hereby covenants that it will make payments as directed by the Borrower Representative (but only from moneys provided to the Issuer by or on behalf of the Borrower for such purposes), if any, required to be made to the Rebate Fund in accordance with Article V hereof.

Section 6.02 Nonpresentment of Bonds.

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bond shall have been deposited with the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested or invested in Government Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Owner of such Bond, which Owner shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two years after the date on which the same shall have become due shall be repaid by the Trustee to the Borrower upon written direction of a Borrower Representative, and thereafter Owners of Bonds shall be entitled to look only to the Borrower for payment, and then to the extent of the amount so repaid, and all liability of the Trustee with respect to such money shall thereupon cease, and the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 6.03 Moneys to be Held in Trust.

All moneys required to be deposited with or paid to the Trustee for the account of any fund or account referred to in any provision of this Indenture or the Agreement shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien and security interest created hereby, except as otherwise specifically provided herein.

Section 6.04 Repayment to the Borrower from the Bond Fund or the Project Fund.

Any amounts remaining in any account of the Bond Fund, the Project Fund, or any other fund or account created hereunder (other than the Rebate Fund and amounts held pursuant to Section 6.02 hereof) after payment in full of the principal of, premium, if any, and interest on the Bonds, the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, shall be paid promptly to the Borrower. Moneys remaining in the Rebate Fund after all payments to the United States of America required by the terms of Section 5.02 hereof shall also be applied as provided in the foregoing sentence.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01 Discharge of Indenture.

If the Issuer shall pay or cause to be paid, in accordance with the provisions of this Indenture, to the Owners of the Bonds, the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein and the Agreement (and, as applicable, any loan agreement relating to Additional Bonds), and if the Issuer shall not then be in default in any of the other covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon 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 requisite to release the lien hereof and reconvey, release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except (i) cash held by the Trustee for the payment of the principal of, premium, if any, or interest on particular Bonds, and (ii) amounts in the Rebate Fund required to be paid to the United States.

Section 7.02 Defeasance of Bonds.

Except as otherwise provided in this Section 7.02, any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure, without further investment or reinvestment thereof, in the opinion of an independent certified public accounting firm of national reputation or nationally-recognized verification agent (a copy of which opinion shall be furnished to the rating agency then providing the rating borne by the Bonds), the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made, shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed payment of such Bonds as aforesaid until (i) proper notice of redemption of such Bonds shall have been previously given in accordance with Article III of this Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Borrower Representative shall have given the Trustee, in form satisfactory to the Trustee, irrevocable written instructions to notify, as soon as practicable, the Owners of the Bonds that the deposit required by (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 7.02 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (ii) the maturity of such Bonds.

Before accepting or using any moneys to be deposited pursuant to this Section 7.02, the Trustee may require that the Borrower furnish to it (a) in the case of Outstanding Tax-Exempt Bonds, an opinion of Bond Counsel addressed to the Trustee to the effect that such deposit will not cause interest on then Outstanding Tax-Exempt Bonds to be includable in gross income for federal income tax purposes and that all conditions hereunder have been satisfied, and (b) a verification report of a nationally recognized verification agent to the effect that such deposit will be sufficient to defease the Bonds as provided in this Section 7.02. The Trustee shall be fully protected in relying upon such Bond Counsel opinion and verification report in accepting or using any moneys deposited pursuant to this Article VII.

All moneys so deposited with the Trustee as provided in this Section 7.02 may also be invested and reinvested, at the written direction of a Borrower Representative, in noncallable Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section 7.02 which is not required for the payment of the principal of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the General Account of the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the General Account of the Bond Fund; provided, however, unless the opinion of Bond Counsel specifically permits any such reinvestment, the Borrower shall furnish to the Trustee, in the case of Outstanding Tax-Exempt Bonds, an opinion of Bond Counsel addressed to the Trustee to the effect that such reinvestment will not cause interest on then Outstanding Tax-Exempt Bonds to be includable in gross income for federal income tax purposes.

The Issuer hereby covenants that no deposit will knowingly be made or accepted and no use knowingly made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

Notwithstanding any provision of any other article of this Indenture which may be contrary to the provisions of this Section 7.02, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section 7.02 for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including the interest and premium thereon, if any) with respect to which such moneys or Government Obligations have been so set aside in trust.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01 Defaults.

If any of the following events occur, it is hereby declared to constitute a "Default":

(a) Default in the due and punctual payment of interest on any Bond;

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) The occurrence of a Default under the Agreement or any loan agreement related to Additional Bonds;

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 8.12 hereof;

(e) The occurrence of a Default under the Mortgage or any mortgage related to Additional Bonds.

Section 8.02 Acceleration.

Upon the occurrence of any Default under Section 8.01(a) or (b), at the written request of the Owners of at least a majority in aggregate principal amount of Outstanding Bonds, the Trustee shall declare the principal of all Bonds and the interest accrued thereon to the date of such acceleration immediately due and payable which interest shall cease to accrue on such date. Any such action taken by the Trustee shall be taken by notice in writing delivered to the Issuer and the Borrower (and, if the Book-Entry System is in effect, the Securities Depository). Upon any declaration of acceleration hereunder, the Trustee shall immediately declare all payments required to be made by the Borrower under the Agreement to be immediately due and payable.

Section 8.03 Other Remedies; Rights of Owners of Bonds.

Upon the occurrence of a Default, the Trustee shall direct the Borrower to cause to be transferred daily to the Trustee for deposit in the Pledged Revenue Fund the Gross Revenues, as the same are collected, and to transfer all Gross Revenues that have been collected and are on deposit in the Operating Account to the Trustee for deposit in the Pledged Revenue Fund.

Subject to the provisions of Section 8.02 hereof, upon the occurrence of a Default, the Trustee may pursue any available remedy at law or in equity to (i) enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and (ii) to enforce any other rights granted to the Trustee under this Indenture or the Agreement.

Subject to the provisions of Section 8.02 hereof, if a Default shall have occurred and be continuing and if requested so to do by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds, and provided the Trustee is indemnified as provided in Section 9.01(l) hereof, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section, and under the terms of the documents included in the Trust Estate, including, but not limited to, the documents listed under "Granting Clause First" hereof, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of Bonds.

Subject to the provisions of Section 8.02 hereof, no remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Owners of Bonds) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners of Bonds hereunder or now or hereafter existing at law or in equity.

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 of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

No waiver of any Default hereunder, whether by the Trustee or by the Owners of Bonds, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

Section 8.04 Right of Owners of Bonds to Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, but subject to the provisions of Sections 8.02 hereof, the Owners of at least a majority in aggregate principal amount of the Outstanding Bonds, shall have the right at their expense, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture. In the absence of direction by at least the majority of the Owners or beneficial Owners of the aggregate principal amount of the Outstanding Bonds, as aforesaid, the Trustee shall carry out its duties under this Indenture, including but not limited to Section 8.03 hereof, in a manner that the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds, without preference amongst such Owners or beneficial Owners.

Section 8.05 Appointment of Receivers.

Upon the occurrence of a Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.06 Waiver.

Upon the occurrence of a Default, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 8.07 Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article (other than moneys in the Rebate Fund or moneys deposited with the Trustee and held in accordance with Section 7.02 hereof) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances owing to or incurred, made or reasonably anticipated to be made by the Trustee, and after payment of any administrative or operating expenses of the Project, be deposited in the General Account of the Bond Fund, and the moneys in each account of the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) 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 privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), (with interest on overdue installments of principal and premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To the payment to the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest on the Bonds which may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of interest, principal and premium, if any, due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of Section 8.07(b) hereof, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 8.07(a) hereof.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Subject to the provisions of Section 8.02 of this Indenture, whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in any account of the Bond Fund shall be paid to the Borrower as provided in Section 6.04 hereof.

Section 8.08 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 8.09 Rights and Remedies of Owners of Bonds.

No Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (subject to the provisions of Section 8.02 hereof) (a) a Default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by said subsection it is deemed to have notice, (b) the Owners of at a majority in aggregate principal amount of Outstanding Bonds shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding and shall have offered to the Trustee indemnity as provided in Section 9.01(1), and (c) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Outstanding Bonds. However, nothing contained in this Indenture shall affect or impair the right of any Owner of Bonds to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner in the Bonds expressed.

Section 8.10 Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, 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 Trustee and the Owners of Bonds shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11 Waivers of Default.

The Trustee shall waive any Default hereunder and its consequences and rescind any declaration of acceleration of principal and premium, if any, upon the written request of the Owners of (a) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal and premium, if any, or interest, or both, exists or (b) at least a majority in aggregate principal amount of Outstanding Bonds in the case of any other Default; provided that there shall not be waived any Default specified in subsection (a) or (b) of Section 8.01 hereof unless prior to

such waiver or rescission, the Borrower shall have caused to be paid to the Trustee (1) all arrears of principal and premium, if any, and interest (other than principal of and premium, if any, or interest on the Bonds which became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (2) all fees and expenses of the Trustee in connection with such Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Default shall have been discontinued or concluded or determined adversely, then and in every such case the Issuer, the Trustee and the Owners of Bonds 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 8.12 Notice of Defaults under Section 8.01 (c), (d) or (e); Opportunity to Cure Such Defaults.

Anything herein to the contrary notwithstanding, no Default under Section 8.01(c), (d) or (e) hereof shall be deemed a Default until notice of such Default shall be given to the Issuer, the Bond Insurer and the Borrower by the Trustee or by the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds, and the Issuer, the Bond Insurer and the Borrower shall have had thirty (30) days after receipt of such notice to correct said Default or to cause said Default to be corrected and shall not have corrected said Default or caused said Default to be corrected within the applicable period; provided, however, if said Default be such that it cannot be corrected within the applicable period, it shall not constitute a Default if corrective action is instituted by the Issuer or the Borrower within the applicable period and diligently pursued until the Default is corrected.

With regard to any Default concerning which notice is given to the Issuer, the Bond Insurer and the Borrower under the provisions of this Section, the Issuer hereby grants the Borrower, or the Bond Insurer as its agent and attorney-in-fact, full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a Default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

ARTICLE IX

TRUSTEE

Section 9.01 Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied duties or covenants shall be read into this Indenture against the Trustee. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent man would exercise or use in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be liable for the conduct of the same if appointed with due care, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers

and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Borrower) selected 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 inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds by the Trustee), or for insuring the Project, or for collecting any insurance moneys, or for the validity of the execution by the Issuer of the Bonds or of this Indenture or of any supplements 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 Project or any lien waivers with respect to the Project, and 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 Borrower under the Agreement except as set forth herein; but the Trustee may require of the Issuer and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement. The Trustee shall have no duty or obligation under this Indenture or the Agreement to record or file any documents except as provided in Section 4.04 hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or for the use by the Borrower of the proceeds of the Bonds deposited in the Project Fund or Replacement Fund. 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 Owner may be entitled to take with like effect as if it were not the Trustee. The Trustee, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transactions with the Issuer or the Borrower and may act as a depository, trustee or agent for any committee of Owners secured hereby or other obligations of the Issuer as freely as if it were not the Trustee. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document (including the certificates and documents of the Borrower Representative required hereunder and under the Agreement) believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture 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 upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by an Issuer Representative or a Borrower Representative as sufficient evidence of the facts therein contained, and prior to the occurrence of a Default of which a Responsible Officer of the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, 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 by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of such officials of the Issuer who executed the Bonds (or their successors in office) to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such 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 or the Agreement shall not be construed as a duty, and the Trustee shall not be liable for other than its gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder or under the Agreement, except for Defaults specified in subsections (a) or (b) of Section 8.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such Default by the Issuer or by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right to inspect fully all books and records of the Issuer and Borrower pertaining to the revenues and receipts under the Agreement, the Project and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises or the Project.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand 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 such action, deemed desirable by the Trustee for the purpose of establishing the right of the Issuer or the Borrower to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action.

(l) Before suffering, taking or omitting any action under this Indenture or under the Agreement (other than paying the principal or redemption premium (if any) and interest on the Bonds as the same shall become due and payable), the Trustee may require that a satisfactory indemnity or indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee 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 otherwise required herein or required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except as may be agreed upon. The Trustee shall not be responsible for the investment of money in funds created hereunder, except to follow the direction of the Borrower.

(n) The Trustee's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents 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 and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error of judgment made in good faith unless it is proven that the Trustee was grossly negligent in ascertaining the pertinent facts, and (ii) no provisions of this Indenture 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 it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(q) Except as provided in Section 4.04 hereof, the Trustee shall have no responsibility for any registration, filing, recording, reregistration or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds including, without limitation, any financing statements or continuation statements with respect thereto.

(r) The Trustee shall not in any event be responsible for ensuring that the rate of interest due and payable on the Bonds under this Indenture does not exceed the highest legal rate of interest permissible under federal or state law applicable thereto.

(s) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(t) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any applicable Treasury regulation (the "Arbitrage Rules"). The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of the Borrower or any of the instructions received by the Trustee under Section 6.01 comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer for compliance with the provisions of this Indenture with respect to the Arbitrage Rules.

(u) The Trustee shall have no duty to inspect or oversee the construction or completion of the Project or to verify the truthfulness or accuracy of the certifications made by the Borrower with respect to the Trustee's disbursements for costs of the Project in accordance with the Agreement and this Indenture.

Section 9.02 Fees, Charges and Expenses of the Trustee.

The Trustee shall be entitled to payment of reasonable fees for its services rendered hereunder and reimbursement of all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in connection with such services including, without limitation, the reasonable compensation, expenses and disbursements of its agents and counsel. Upon the occurrence of a Default, but only upon the occurrence of a Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Trust Estate (exclusive of funds held by the Trustee for matured and unpresented Bonds) for the foregoing fees, charges and

expenses of the Trustee. When the Trustee incurs expenses or renders services after the occurrence of an Act of Bankruptcy with respect to the Borrower, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. The Issuer shall have no liability to pay any fees, charges or other expenses of the Trustee hereinabove mentioned except from the amounts pledged under this Indenture. The rights of the Trustee under this Section shall survive the Trustee's resignation or removal.

Section 9.03 Notice to Owners of Bonds if Default Occurs.

If a Default occurs of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by said subsection it is deemed to have notice, then the Trustee shall promptly give notice thereof to the Owner of each Bond.

Section 9.04 Intervention by the Trustee.

In any judicial proceeding which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners of the Bonds, the Trustee may intervene on behalf of the Owners of the Bonds and shall do so if requested in writing by the Owners of at least fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

Section 9.05 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 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 be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 9.06 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' notice to the Issuer, the Borrower and the Owner of each Bond. Such resignation shall not take effect until the appointment of a successor Trustee or temporary Trustee. Despite such resignation, the Trustee will remain entitled to payment in full of all fees and expenses and other amounts payable to the Trustee pursuant hereto or to the Agreement.

Section 9.07 Removal of the Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds. Such removal shall not take effect until (i) the appointment of a successor Trustee or temporary Trustee and (ii) payment in full of all fees and expenses and other amounts payable to the Trustee pursuant hereto or to the Agreement.

Section 9.08 Appointment of Successor Trustee by Owners of Bonds.

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys-in-fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to the Issuer and the Borrower. In case of any such vacancy, the Issuer, by an instrument executed by its official who executed the Bonds or his successor in office, may appoint a temporary successor Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners of Bonds in the manner above provided; and such temporary successor Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee appointed by the Owners of Bonds. If no successor Trustee has accepted appointment in the manner provided in Section 9.09 hereof within sixty (60) days after the Trustee has given notice of resignation to the Issuer and the Owner of each Bond, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee; provided that any Trustee so appointed shall immediately and without further act be superseded by a Trustee appointed by the Issuer or the Owners of Bonds as provided above. Every successor Trustee appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the trust upon customary terms, a bank or trust company, in either case with trust powers in good standing and having reported capital and surplus of not less than $50,000,000 and rated Baa3/Prime-3 or better by Moody's (or a substantially equivalent rating by such other rating agency then providing the rating borne by the Bonds).

Section 9.09 Acceptance by Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Borrower 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, duties and obligations of its predecessor; but its predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, 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 successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, 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.

Section 9.10 Appointment of Co-Trustee.

It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the Commonwealth) 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 Agreement, and in particular in case of the enforcement thereof on 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 or therein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, the Trustee may appoint an additional individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture or the Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. The Trustee shall not be responsible for the actions of successors or Co-Trustees duly appointed and acting pursuant to this Article.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to 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 or Co-Trustee, or a successor, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or Co-Trustee. Any Co-Trustee appointed by the Trustee pursuant to this Section may be removed by the Trustee, in which case all powers, rights and remedies vested in the Co-Trustee shall again vest in the Trustee as if no such appointment of a Co-Trustee had been made.

Section 9.11 Notice to Rating Agency.

The Trustee shall provide the Rating Agency, so long as such rating agencies shall provide the rating borne by the Bonds, with prompt written notice following the effective date of such event of (a) any successor Trustee, (b) any amendments to this Indenture, the Agreement or any loan agreement relating to Bonds, (c) any designation submitted to the Trustee of additions to the "Project" pursuant hereto, (d) the redemption in whole of any series of the Bonds or the payment in full of any series of the Bonds at maturity, (e) the defeasance of any series of the Bonds or (f) the acceleration of the Bonds.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01 Supplemental Indentures Not Requiring Consent of Owners of Bonds.

The Issuer and the Trustee may and, in the case of Outstanding Tax-Exempt Bonds, upon receipt of a Favorable Opinion of Bond Counsel without consent of, or notice to, any of the Owners of Bonds, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Owners of Bonds any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners of Bonds or the Trustee;

(c) To subject to this Indenture additional revenues, properties or collateral;

(d) To specify that "Project" for purposes of this Indenture shall be expanded to include any other projects to develop replacement University housing or to acquire existing University housing and to make such related changes to this Indenture required in connection with such addition to the Student Housing Facilities, subject to the delivery to the Trustee and the Issuer of (i) an officer's certificate of an authorized Borrower's Representative directing such specification, (ii) a Favorable Opinion of Bond Counsel with respect to such proposed addition and (iii) if Additional Bonds are being issued, evidence of the satisfaction of the conditions specified in Sections 2.12(a) through (c) hereof;

(e) To make an irrevocable election at any time, subject to the delivery to the Issuer and the Trustee of an officer's certificate of a Borrower's Representative directing such election, that no expansion to the definition of "Project" as contemplated by the immediately preceding subparagraph (d) may be made;

(f) To modify, amend or supplement this Indenture or any indenture supplemental hereof 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 the Bonds for sale under the securities laws of any of the states of the United States of America;

(g) To evidence the appointment of a separate or Co-Trustee or the succession of a new Trustee hereunder;

(h) To correct any description of, or to reflect changes in, any of the properties comprising the Trust Estate;

(i) To make any revisions of this Indenture that shall be required by any Rating Agency then rating the Bonds in order to obtain or maintain an investment grade rating on the Bonds;

(j) To provide for an uncertificated system of registering the Bonds or to provide for changes to or from the Book-Entry System;

(k) To effect any other change herein which, in the judgment of the Trustee, shall not materially prejudice the Trustee or the Owners of Bonds; or

(l) To provide for the issuance of Additional Bonds in accordance with Section 2.12 of this Indenture.

In the event Moody's or S&P has issued a rating of any of the Bonds, Moody's and/or S&P, as applicable, shall receive prior written notice from the Trustee of the proposed amendment but such notice shall not be a condition of the effectiveness of such amendment.

Section 10.02 Supplemental Indentures Requiring Consent of Owners of Bonds.

Exclusive of Supplemental Indentures permitted by Section 10.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds 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 such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section or in Section 10.01 hereof contained shall permit, or be construed as permitting, without the consent of the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indentures or any modifications or waivers of the provisions of this Indenture or the Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given to the Owners of the Bonds as provided in Section 3.03 of this Indenture; provided, that prior to the delivery of such notice, the Trustee may require, in the case of Outstanding Tax-Exempt Bonds, a Favorable Opinion of Bond Counsel be furnished. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners of Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding (except for those Supplemental Indentures requiring the consent of the Owners of all Bonds Outstanding as described above) at the time of the execution of any such Supplemental Indenture 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 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 Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event a Rating Agency has issued a rating of any of the Bonds, such Rating Agency shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 10.03 Consent of the Borrower.

Anything herein to the contrary notwithstanding, except when the Borrower is in default under the Agreement, a Supplemental Indenture under this Article shall not become effective unless and until the Borrower shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such Supplemental Indenture together with a copy of the proposed Supplemental Indenture to be mailed to the Borrower at least fifteen (15) Business Days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 10.04 Amendment without Consent of Issuer.

In the event the Issuer is unable to enter into any Supplemental Indenture permitted by this Article, the Trustee may, without the consent of the Issuer, amend or supplement this Indenture in any manner otherwise permitted by this Article so long as such Supplemental Indenture does not adversely affect the rights of the Issuer and the Trustee receives an opinion of Bond Counsel as described in Section 10.05 below.

Section 10.05 Execution of Amendments and Supplements by Trustee.

The Trustee shall not be obligated to sign any amendment or supplement to this Indenture or the Bonds pursuant to this Article if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee shall be entitled to receive, and shall be fully protected in relying on, an opinion of Bond Counsel addressed to it stating that such amendment or supplement is authorized by this Indenture, and, in the case of Outstanding Tax-Exempt Bonds, will not cause interest on then Outstanding Tax-Exempt Bonds to be includable in gross income for federal income tax purposes.

ARTICLE XI

AMENDMENT OF AGREEMENT

Section 11.01 Amendments to Agreement and/or Mortgage Not Requiring Consent of Owners of Bonds.

The Issuer and the Trustee may, upon receipt, in the case of Outstanding Tax-Exempt Bonds, of a Favorable Opinion of Bond Counsel, and without the consent of or notice to the Owners of Bonds, consent to any amendment, change or modification of the Agreement and/or the Mortgage as may be required (a) by the provisions of the Agreement and/or the Mortgage, (b) for the purpose of curing any ambiguity or formal defect or omission in the Agreement and/or the Mortgage, (c) so as to more precisely identify the Project, or to substitute or add additional improvements or equipment to the Project or additional rights or interests in property acquired in accordance with the provisions of the Agreement, (d) to enter into an indenture or indentures supplemental hereto as provided in Section 10.01 hereof, (e) to make any revisions that shall be required by a Rating Agency then rating the Bonds in order to obtain or maintain an investment grade rating on the Bonds, (f) in connection with any other change therein which,

in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners of Bonds, or (g) to provide for the issuance of Additional Bonds in accordance with Section 2.12 hereof.

For purposes of this Section 11.01, the terms "Agreement" and "Mortgage" shall extend to any loan agreement or mortgage granted to the Trustee in connection with Additional Bonds.

Section 11.02 Amendments to Agreement and/or Mortgage Requiring Consent of Owners of Bonds.

Except for the amendments, changes or modifications as provided in Section 11.01 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Agreement and/or the Mortgage without mailing of notice and the written approval or consent of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, provided that the consent of the Owners of all Bonds Outstanding is required for any amendment, change or modification of the Agreement and/or the Mortgage that would permit the termination or cancellation of the Agreement and/or the Mortgage or a reduction in or postponement of the payments under the Agreement and/or the Mortgage or any change in the provisions relating to payment thereunder. If at any time the Issuer and the Borrower shall request the written consent of the Trustee to any such proposed amendment, change or modification of the Agreement, 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 10.02 hereof with respect to Supplemental Indentures; provided that, prior to the delivery of such notice or request, the Trustee and the Issuer may require, in the case of Outstanding Tax-Exempt Bonds, a Favorable Opinion of Bond Counsel. 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 Principal Office of the Trustee for inspection by all Owners of Bonds.

For purposes of this Section 11.02, the terms "Agreement" and "Mortgage" shall extend to any loan agreement or mortgage granted to the Trustee in connection with Additional Bonds.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Consents of Owners of Bonds.

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners of Bonds may be in any number of concurrent documents and may be executed by such Owners of Bonds in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. 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 an officer authorized by law to take acknowledgments of deeds certifying that the person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 2.08 hereof.

Section 12.02 Limitation of Rights.

With the exception of any 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 or company other than the parties hereto and the Owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 12.03 Severability.

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 12.04 Notices.

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, sent by facsimile, overnight delivery service or sent by telegram, addressed as follows:

If to the Issuer:
Chester County Industrial Development Authority
737 Constitution Drive
Exton, PA 19341
Attention: Executive Director
Phone: [redacted]
Email: [redacted]

If to the Trustee:
TD Bank, National Association
12000 Horizon Way
Mt. Laurel, NJ 08054
Attention: [redacted]
Phone: [redacted]
Email: [redacted]

If to the Borrower:
University Student Housing, LLC
202 Carter Drive
West Chester, PA 19381
Attention: Chief Financial Officer
Phone: [redacted]
Email: [redacted]

If to S&P: S&P Global Ratings, a Standard & Poor's Financial Services LLC business
55 Water Street
New York, New York 10041
Attention: Corporate Finance Department
Phone: [redacted]
Facsimile: [redacted]

A duplicate copy of each notice required to be given hereunder by any person listed above shall also be given to the others. The Issuer, the Borrower and the Trustee may designate any initial, further or different addresses, as applicable, to which subsequent notices, certificates or other communications shall be sent. Except for those writings requiring original signatures, any written notice, instruction or confirmation required hereunder may be provided by telex, telegraph or facsimile transmission.

Section 12.05 Payments Due on Saturdays, Sundays and Holidays.

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption.

Section 12.06 Counterparts.

This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of such shall constitute but one and the same instrument.

Section 12.07 Applicable Provisions of Law.

This Indenture shall be governed by and construed in accordance with the laws of the Commonwealth. It is the intention of the Issuer and the Trustee that the situs of the trust created by this Indenture be, and it be administered, in the Commonwealth.

Section 12.08 Rules of Interpretation.

Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Indenture and not solely to the particular portion in which such word is used.

Section 12.09 Captions.

The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Appendices or Sections of this Indenture.

Section 12.10 No Personal Liability.

Notwithstanding anything to the contrary contained herein or in any of the Bonds or the Agreement (or any other loan agreement related to Additional Bonds), or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation,

covenant, agreement or obligation of any present or future member, commissioner, director, trustee, officer, employee or agent of the Issuer, or of any incorporator, member, commissioner, director, trustee, officer, employee or agent of any successor to the Issuer, in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his individual capacity, either directly or through the Issuer or any successor to the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his individual capacity, is hereby expressly waived and released.

ARTICLE XIII

BOND INSURER PROVISIONS

Section 13.01 Bond Insurer Provisions. The Bond Insurer Provisions attached hereto as Exhibit C are hereby incorporated into and made a part of this Indenture. In the event of any conflict or inconsistency with other provisions of this Indenture, the Bond Insurer Provisions shall control.

IN WITNESS WHEREOF, the Issuer has caused these presents to be executed in its name by its duly authorized official; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officer, as of the date first above written.

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
Chairman

CORPORATE SEAL

Attest: _____
Assistant Secretary

TD BANK, NATIONAL ASSOCIATION

By: _____
Authorized Officer

EXHIBIT A

(FORM OF SERIES 2024A BOND)

No. A-R-1 CUSIP _____

UNITED STATES OF AMERICA
CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY STUDENT HOUSING, LLC PROJECT AT WEST CHESTER UNIVERSITY OF PENNSYLVANIA)
SERIES 2024A

PRINCIPAL AMOUNT	INTEREST RATE	MATURITY DATE	DATED DATE
$_____	____%	August 1, ___	October 31, 2024

REGISTERED OWNER: CEDE & CO.

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date set forth above, upon surrender hereof, the Principal Amount set forth above, and in like manner to pay interest on said sum as provided in this Series 2024A Bond.

1. Indenture; Loan Agreement. This Bond is one of an authorized issue of bonds (the "Series 2024A Bonds"), limited to $82,920,000 in principal amount, issued under the Indenture of Trust dated as of October 1, 2024 (the "Indenture"), between the Issuer and TD Bank, National Association, as trustee (the "Trustee"). The terms of the Series 2024A Bonds include those in the Indenture.

Bondholders are referred to the Indenture for a statement of those terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

The Issuer will lend the proceeds of the Series 2024A Bonds to University Student Housing, LLC (the "Borrower"), pursuant to a Loan Agreement dated as of October 1, 2024 (the "Agreement"), between the Issuer and the Borrower. The Borrower will use the proceeds of the Series 2024A Bonds to finance (i) the current refunding of all of the Issuer's Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 (the "Refunded Bonds"); (ii) miscellaneous capital expenditures within and for the benefit of students attending West Chester University of Pennsylvania of the Pennsylvania State System of Higher Education, including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "Student Housing Facilities"); (iii) necessary reserves, including the funding of all or a portion of debt service reserves, if needed or desired; (iv) appropriate credit enhancement or bond insurance, if needed or

desired; and (v) payment of the costs of issuance of the 2024 Bonds (collectively (i) through (v) is defined as the "Project").

The Issuer may under certain circumstances issue additional bonds ranking equally and ratably with the Series 2024A Bonds (together with the Series 2024A Bonds, the "Bonds"). The Borrower has agreed in the Agreement, subject to the limitations on the Borrower's obligations set forth therein, to pay the Issuer amounts sufficient to pay all amounts coming due on the Bonds, and the Issuer has assigned its rights to such payments under the Agreement to the Trustee as security for the Bonds.

The Indenture and the Agreement may be amended, and references to them include any amendments including, without limitation, the specification of certain additions to the definition of "Project" for purposes of the Indenture, subject to satisfaction of certain requirements specified in Section 11.02 of the Indenture.

The Issuer has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the Indenture, CEDE & Co., as nominee of the Depository Trust Company, a New York corporation ("DTC"), will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. CEDE & Co., as registered owner of this Bond, may be treated as the owner of it for all purposes.

2. Source of Payments. This Bond and the series of Bonds of which it forms a part are issued pursuant to and in full compliance with the Pennsylvania Economic Development Financing Law of the Commonwealth of Pennsylvania, the Act of August 23, 1967, P.L. 251, as amended (the "Act"). THIS BOND AND THE ISSUE OF WHICH IT IS A PART AND THE PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT PURSUANT TO THE AGREEMENT, INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE PAYMENT OF THE BONDS. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER AND CHESTER COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, THE UNIVERSITY, THE STATE SYSTEM OR CHESTER COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE ISSUER, CHESTER COUNTY, THE COMMONWEALTH, ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, THE STATE SYSTEM OR THE UNIVERSITY NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHESTER COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

3. Interest Payment and Record Date. The Series 2024A Bonds will bear interest at the rate shown above payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2025 (each, an "Interest Payment Date") until paid, at maturity or earlier redemption, in an amount equal to the interest accrued from the Interest Payment Date next preceding the date of authentication of

the Series 2024A Bond to which interest has been paid or duly provided for, unless such Series 2024A Bond is authenticated as of an Interest Payment Date on which interest has been paid or duly provided for, in which event it shall bear interest from the date of authentication, or if no interest has been paid or duly provided for, it shall bear interest from its dated date.

The 2024A Bonds will be issued as fully registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. Interest will accrue on the unpaid portion of the principal of this Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series 2024A Bonds, until the entire principal amount of this Bond is paid or duly provided for.

Payment of the interest on any Series 2024A Bond on any Interest Payment Date shall be made to the person whose name appears on the registration books of the Issuer as the registered Owner thereof as of the close of business on the date that is 15 calendar days (whether or not a Business Day) preceding each Interest Payment Date (the "Record Date") next preceding the applicable Interest Payment Date and shall be paid by check or draft of the Trustee mailed to said registered Owner at his address as it appears on such registration books. If a Bond is being transferred and is authenticated after a Record Date but before the payment date, the payment will be made to the Bondholder as of the Record Date. Any interest on any Series 2024A Bond which is payable but is not punctually paid or provided for on any scheduled Interest Payment Date shall forthwith cease to be payable to the person in whose name that Series 2024A Bond is registered as of the close of business on the applicable Record Date.

4. Mandatory Tender for Purchase of Bonds on Mandatory Purchase Date. The Series 2024A Bonds maturing on August 1, 2048 shall be subject to mandatory sinking fund redemption prior to maturity by the Issuer in part on August 1 of the respective years and in the amount set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

$_____ Series A Term Bonds Due August 1, 20__

Year	Principal Amount
20	$
20	
20	
20	
20	
20*	

*Maturity Date

The principal amount of the Series 2024A Bonds so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the Series 2024A Bonds of the same maturity as those subject to mandatory redemption (a) surrendered uncancelled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date, (b) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to the optional or extraordinary redemption provisions of the Indenture or (c) purchased by the Trustee out of moneys in the Bond Fund in accordance with the Indenture, if in each case such Series 2024A Bonds shall not have previously served as the basis for any such reduction.

5. Extraordinary Redemption. The 2024A Bonds are subject to redemption in whole or in part by the Issuer, at the written direction of a Borrower Representative, from Net Proceeds at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest to the redemption date, plus the unamortized amount of any original issue premium on the Series 2024A Bonds being called for redemption through the first optional redemption date, in the event the Student Housing Facilities shall have been sold or disposed of or damaged or destroyed in an amount in excess of $100,000, or there occurs the condemnation of all or substantially all of the Student Housing Facilities or the taking by eminent domain of such use or control of the Student Housing Facilities.

6. Optional Redemption by the Borrower. The Series 2024A Bonds maturing on or after August 1, 2033 are subject to redemption prior to maturity at the option of the Issuer, upon the written direction of the Borrower to the Issuer and the Trustee, on or after August 1, 2032, in whole at any time, or in part at any time and from time to time, in any order of maturity specified by the Issuer, at the written direction of the Borrower. Any such redemption shall be made at a redemption price equal to the principal amount of the Series 2024A Bonds to be redeemed plus interest accrued to the date fixed for redemption (provided that if less than all of the Series 2024A Bonds are to be redeemed, the Series 2024A Bonds to be redeemed shall be selected by lot or in such other manner as the Trustee shall determine except as otherwise provided in Section 3.06 of the Indenture).

7. Notice of Redemption. The Borrower shall notify the Trustee in writing of any call for redemption at least ten (10) days prior to the date by which notice of the call for redemption shall be given by the Trustee. Notice of the call for redemption, 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 at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the Bond Insurer and the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in Section 3.04 of the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Any notice of redemption may, on the written request of the Borrower, state (i) that the redemption to be effected is conditioned on 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 are not received or are not legally available or if the notice is rescinded, such notice will be of no force or effect and such Bonds will not be required to be redeemed.

Each notice of redemption given hereunder shall contain the information required in the Indenture for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the series designation; and (vi) any other descriptive information needed to identify accurately the Bonds being redeemed including the pro rata redemption as specified by the Borrower.

Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed. Notwithstanding the provisions of Section 3.04 of the Indenture, delivery by the Trustee of a copy of a redemption notice to a transferee of a Bond which has been called for redemption, pursuant to the requirements of Section 2.08 of the Indenture, shall be deemed to satisfy the requirements of the first sentence of Section 3.04 of the Indenture respect to any such transferee.

8. Redemption Payments. If on or prior to the date fixed for redemption, sufficient moneys shall be on deposit with the Trustee to pay the redemption price of the Bonds called for redemption, the Trustee is hereby authorized and directed to apply such funds to the payment of the principal of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of moneys for redemption at the required times on or prior to the date fixed for redemption, as provided in the Indenture, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption.

9. Amendment, Supplement, Waiver. Subject to certain exceptions, the Indenture, the Agreement, the Mortgage or the Bonds may be amended or supplemented, and any past default may be waived, with the consent of the holders of a majority in principal amount of the Bonds then Outstanding. Any such consent shall be irrevocable and shall bind any subsequent owner of this Bond or any Bond delivered in substitution for this Bond. Without the consent of any Bondholder, the Issuer may amend or supplement the Indenture, the Loan Agreement or the Bonds as described in the Indenture. As specified in detail in the Indenture, the Credit Provider for a series of Bonds shall be deemed the sole owner of such Bonds for purposes of consenting to amendments and supplements to the Indenture, the Agreement, the Mortgage and the Bonds and for certain other purposes.

10. Defaults and Remedies. The Indenture provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee may declare the principal of all the Bonds to be due and payable immediately; provided that in certain circumstances, the Trustee shall make such declaration upon the written request of the holders of not less than 50% in principal amount of the Bonds then Outstanding and provided further, that in the case of certain Events of Default, the principal of all of the Bonds shall automatically become due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Bondholders may not enforce the Indenture or the Bonds except as provided in the Indenture. Except as specifically provided in the Indenture, the Trustee may refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations, holders of not less than 50% in principal amount of the Bonds then Outstanding may direct the Trustee in its exercise of any trust or power. As specified in the Indenture, the Credit Provider for a series of Bonds shall be treated as the sole owner of such series of Bonds for purposes of exercising and controlling remedies under the Indenture.

11. No Recourse Against Others. No recourse shall be had for the payment of the principal, purchase price, or redemption price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. Each Bondholder by accepting a Bond waives and releases all such liability. The waiver and release are part of the consideration for the issue of this Bond.

12. Authentication. This Bond shall not be valid until the Registrar signs the certificate of authentication on the other side of this Bond.

13. Insurer. Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to TD Bank, National Association, Mt. Laurel, New Jersey, or its successor, as trustee for the Bonds. Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required

to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

A copy of the Indenture may be inspected at the office of the Trustee located at TD Bank, National Association, 12000 Horizon Way, Mt. Laurel, NJ 08054, Attention: Corporate Trust Department.

IN WITNESS WHEREOF, the Chester County Industrial Development Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its (Vice) Chairman, and its corporate seal to be impressed or printed hereon and attested by the manual or facsimile signature of its (Assistant) Secretary.

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
(Vice) Chairman

(SEAL)

Attest:

By: _____
Title:

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: October 31, 2024

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture.

TD BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT B

(FORM OF SERIES 2024B BOND)

No. B-R-1 CUSIP _____

UNITED STATES OF AMERICA
CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
STUDENT HOUSING REVENUE BONDS
(UNIVERSITY STUDENT HOUSING, LLC PROJECT AT WEST CHESTER UNIVERSITY OF PENNSYLVANIA)
SERIES 2024B (FEDERALLY TAXABLE)

PRINCIPAL AMOUNT	INTEREST RATE	MATURITY DATE	DATED DATE
$_____	____%	August 1, ___	October 31, 2024

REGISTERED OWNER: CEDE & CO.

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date set forth above, upon surrender hereof, the Principal Amount set forth above, and in like manner to pay interest on said sum as provided in this Series 2024B Bond.

1. Indenture; Loan Agreement. This Bond is one of an authorized issue of bonds (the "Series 2024B Bonds"), limited to $2,180,000 in principal amount, issued under the Indenture of Trust dated as of October 1, 2024 (the "Indenture"), between the Issuer and TD Bank, National Association, as trustee (the "Trustee"). The terms of the Series 2024B Bonds include those in the Indenture.

Bondholders are referred to the Indenture for a statement of those terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

The Issuer will lend the proceeds of the Series 2024B Bonds to University Student Housing, LLC (the "Borrower"), pursuant to a Loan Agreement dated as of October 1, 2024 (the "Agreement"), between the Issuer and the Borrower. The Borrower will use the proceeds of the Series 2024B Bonds to finance (i) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Issuer's Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 which are being refunded concurrently with the issuance of the Series 2024B Bonds through the use of proceeds from the Issuer's Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2024A; (ii) necessary reserves, including the funding of all or a portion of debt service reserves, if needed or desired; and (iii) payment of the costs of issuance of the Series 2024B Bonds (collectively (i) through (iii) are defined as the "Project").

The Issuer may under certain circumstances issue additional bonds ranking equally and ratably with the Series 2024B Bonds (together with the Series 2024B Bonds, the "Bonds"). The Borrower has agreed in the Agreement, subject to the limitations on the Borrower's obligations set forth therein, to pay the Issuer amounts sufficient to pay all amounts coming due on the Bonds, and the Issuer has assigned its rights to such payments under the Agreement to the Trustee as security for the Bonds.

The Indenture and the Agreement may be amended, and references to them include any amendments including, without limitation, the specification of certain additions to the definition of "Project" for purposes of the Indenture, subject to satisfaction of certain requirements specified in Section 11.02 of the Indenture.

The Issuer has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the Indenture, CEDE & Co., as nominee of the Depository Trust Company, a New York corporation ("DTC"), will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. CEDE & Co., as registered owner of this Bond, may be treated as the owner of it for all purposes.

2. Source of Payments. This Bond and the series of Bonds of which it forms a part are issued pursuant to and in full compliance with the Pennsylvania Economic Development Financing Law of the Commonwealth of Pennsylvania, the Act of August 23, 1967, P.L. 251, as amended (the "Act"). THIS BOND AND THE ISSUE OF WHICH IT IS A PART AND THE PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT PURSUANT TO THE AGREEMENT, INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE PAYMENT OF THE BONDS. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER AND CHESTER COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, THE UNIVERSITY, THE STATE SYSTEM OR CHESTER COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE ISSUER, CHESTER COUNTY, THE COMMONWEALTH, ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH, THE STATE SYSTEM OR THE UNIVERSITY NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING CHESTER COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

3. Interest Payment and Record Date. The Series 2024B Bonds will bear interest at the rate shown above payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2025 (each, an "Interest Payment Date") until paid, at maturity or earlier redemption, in an amount equal to the interest accrued from the Interest Payment Date next preceding the date of authentication of the Series 2024B Bond to which interest has been paid or duly provided for, unless such Series 2024B Bond is authenticated as of an Interest Payment Date on which interest has been paid or duly provided

for, in which event it shall bear interest from the date of authentication, or if no interest has been paid or duly provided for, it shall bear interest from its dated date.

The 2024B Bonds will be issued as fully registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. Interest will accrue on the unpaid portion of the principal of this Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series 2024B Bonds, until the entire principal amount of this Bond is paid or duly provided for.

Payment of the interest on any Series 2024B Bond on any Interest Payment Date shall be made to the person whose name appears on the registration books of the Issuer as the registered Owner thereof as of the close of business on the date that is 15 calendar days (whether or not a Business Day) preceding each Interest Payment Date (the "Record Date") next preceding the applicable Interest Payment Date and shall be paid by check or draft of the Trustee mailed to said registered Owner at his address as it appears on such registration books. If a Bond is being transferred and is authenticated after a Record Date but before the payment date, the payment will be made to the Bondholder as of the Record Date. Any interest on any Series 2024B Bond which is payable but is not punctually paid or provided for on any scheduled Interest Payment Date shall forthwith cease to be payable to the person in whose name that Series 2024B Bond is registered as of the close of business on the applicable Record Date.

4. Mandatory Tender for Purchase of Bonds on Mandatory Purchase Date. The Series 2024B Bonds maturing on August 1, 2029 shall be subject to mandatory sinking fund redemption prior to maturity by the Issuer in part on August 1 of the respective years and in the amount set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

$_____ Series B Term Bonds Due August 1, 20__

Year	Principal Amount
20	$
20	
20	
20	
20	
20*	

*Maturity Date

The principal amount of the Series 2024B Bonds so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the Series 2024B Bonds of the same maturity as those subject to mandatory redemption (a) surrendered uncancelled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date, (b) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to the optional or extraordinary redemption provisions of the Indenture or (c) purchased by the Trustee out of moneys in the Bond Fund in accordance with the Indenture, if in each case such Series 2024B Bonds shall not have previously served as the basis for any such reduction.

5. Extraordinary Redemption. The 2024B Bonds are subject to redemption in whole or in part by the Issuer, at the written direction of a Borrower Representative, from Net Proceeds at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest to the

redemption date, plus the unamortized amount of any original issue premium on the Series 2024B Bonds being called for redemption through the first optional redemption date, in the event the Student Housing Facilities shall have been sold or disposed of or damaged or destroyed in an amount in excess of $100,000, or there occurs the condemnation of all or substantially all of the Student Housing Facilities or the taking by eminent domain of such use or control of the Student Housing Facilities.

6. Optional Redemption by the Borrower. The Series 2024B Bonds are not subject to optional redemption prior to their maturity.

7. Notice of Redemption. The Borrower shall notify the Trustee in writing of any call for redemption at least ten (10) days prior to the date by which notice of the call for redemption shall be given by the Trustee. Notice of the call for redemption, 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 at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the Bond Insurer and the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided in Section 3.04 of the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Any notice of redemption may, on the written request of the Borrower, state (i) that the redemption to be effected is conditioned on 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 are not received or are not legally available or if the notice is rescinded, such notice will be of no force or effect and such Bonds will not be required to be redeemed.

Each notice of redemption given hereunder shall contain the information required in the Indenture for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the series designation; and (vi) any other descriptive information needed to identify accurately the Bonds being redeemed including the pro rata redemption as specified by the Borrower.

Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed. Notwithstanding the foregoing provisions of Section 3.04 of the Indenture, delivery by the Trustee of a copy of a redemption notice to a transferee of a Bond which has been called for redemption, pursuant to the requirements of Section 2.08 of the Indenture, shall be deemed to satisfy the requirements of the first sentence of Section 3.04 of the Indenture with respect to any such transferee.

9. Redemption Payments. If on or prior to the date fixed for redemption, sufficient moneys shall be on deposit with the Trustee to pay the redemption price of the Bonds called for redemption, the Trustee is hereby authorized and directed to apply such funds to the payment of the principal of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of moneys for redemption at the required times on or prior to the date fixed for redemption, as provided in the Indenture, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption.

10. Amendment, Supplement, Waiver. Subject to certain exceptions, the Indenture, the Agreement, the Mortgage or the Bonds may be amended or supplemented, and any past default may be

waived, with the consent of the holders of a majority in principal amount of the Bonds then Outstanding. Any such consent shall be irrevocable and shall bind any subsequent owner of this Bond or any Bond delivered in substitution for this Bond. Without the consent of any Bondholder, the Issuer may amend or supplement the Indenture, the Loan Agreement or the Bonds as described in the Indenture. As specified in detail in the Indenture, the Credit Provider for a series of Bonds shall be deemed the sole owner of such Bonds for purposes of consenting to amendments and supplements to the Indenture, the Agreement, the Mortgage and the Bonds and for certain other purposes.

11. Defaults and Remedies. The Indenture provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee may declare the principal of all the Bonds to be due and payable immediately; provided that in certain circumstances, the Trustee shall make such declaration upon the written request of the holders of not less than 50% in principal amount of the Bonds then Outstanding and provided further, that in the case of certain Events of Default, the principal of all of the Bonds shall automatically become due and payable. An Event of Default and its consequences may be waived as provided in the Indenture. Bondholders may not enforce the Indenture or the Bonds except as provided in the Indenture. Except as specifically provided in the Indenture, the Trustee may refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations, holders of not less than 50% in principal amount of the Bonds then Outstanding may direct the Trustee in its exercise of any trust or power. As specified in the Indenture, the Credit Provider for a series of Bonds shall be treated as the sole owner of such series of Bonds for purposes of exercising and controlling remedies under the Indenture.

12. No Recourse Against Others. No recourse shall be had for the payment of the principal, purchase price, or redemption price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body under any constitutional provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. Each Bondholder by accepting a Bond waives and releases all such liability. The waiver and release are part of the consideration for the issue of this Bond.

13. Authentication. This Bond shall not be valid until the Registrar signs the certificate of authentication on the other side of this Bond.

14. Insurer. Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to TD Bank, National Association, Mt. Laurel, New Jersey, or its successor, as trustee for the Bonds. Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

A copy of the Indenture may be inspected at the office of the Trustee located at TD Bank, National Association, 12000 Horizon Way, Mt. Laurel, NJ 08054, Attention: Corporate Trust Department.

IN WITNESS WHEREOF, the Chester County Industrial Development Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its (Vice) Chairman, and its corporate seal to be impressed or printed hereon and attested by the manual or facsimile signature of its (Assistant) Secretary.

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
(Vice) Chairman

(SEAL)

Attest:

By: _____
Title:

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: October 31, 2024

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture.

TD BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT C

BOND INSURER PROVISIONS

1. Notice and Other Information to be Given to BAM. The Borrower will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

   The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: [redacted], Telecopier: [redacted], Email: [redacted]. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at [redacted] or at Telecopier: [redacted] and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

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

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

   a. Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

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

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

3. Trustee and Paying Agent.

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

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

4. Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Borrower shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

a. *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:

i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

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

v. To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).

b. *Consent of BAM in Addition to Bondholder Consent*. Whenever any Security Document requires the consent of holders of Insured Obligations or the Trustee, BAM's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

c. *Insolvency.* Any reorganization or liquidation plan with respect to the Borrower must be acceptable to BAM. The Trustee and each owner of the Insured Obligations hereby

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

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

e. *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

f. *Consent of BAM for Acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

g. *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

h. *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer

admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5. Loan Agreement.

a. The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Insured Obligations (a "Financing Agreement"), and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned the Trustee for the benefit of the holders of the Insured Obligations.

b. Any payments by the Borrower under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) Business Days prior to each debt service payment date for the Insured Obligations.

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

7. Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

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

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

The Trustee or Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

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

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

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

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

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

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

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

8. Additional Payments. The Borrower agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Borrower agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Borrower agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Borrower, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Borrower hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

9. Debt Service Reserve Fund. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

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

11. BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.

12. So long as the Insured Obligations are outstanding or any amounts are due and payable to BAM, the Borrower shall not sell, lease, release, substitute, transfer, assign, encumber or otherwise

dispose of the Student Housing Facilities or any material portion thereof, except upon obtaining the prior written consent of BAM.

13. No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

14. If an event of default occurs under any agreement pursuant to which any Obligation of the Borrower has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Indenture and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

15. Any financial consultant, market consultant or independent engineer appointed pursuant to the provisions of Security Documents shall be subject to BAM's prior written approval. All reports prepared by any such consultant or engineer shall be delivered to BAM.

16. No sublease, release, sale, transfer, assignment, encumbrance, disposition or substitution of the ground lease or any property, buildings, improvements or collateral subject to the Mortgage, or otherwise pledged, directly or indirectly, to secure the Insured Obligations (collectively, the "Property"), shall occur without the prior written consent of BAM. The term of the Ground Lease shall extend at least 5 years beyond the final maturity date of the Insured Obligations.

17. The Property shall be covered at all times by property and casualty insurance in an amount equal to the greater of the replacement value of the property or the principal amount of the Insured Obligations. Self-insurance and pooled insurance programs shall be subject to the prior written consent of BAM. Any blanket or umbrella insurance policies for property and casualty insurance shall not be permitted unless BAM otherwise consents. The Trustee shall be the beneficiary under such policy.

    If insurance or condemnation proceeds with respect to the Property are received, such proceeds shall be applied to replacement or restoration of the affected property or to redemption of the Insured Obligations; provided, however, that unless all outstanding Insured Obligations are to be redeemed from such amount, the prior written consent of BAM shall be required for any such redemption.

18. The Property shall be covered at all times by rental or business interruption insurance in an amount equal to not less than 18 months' worth of rental payments and other income and revenues of the Borrower. The provider of such insurance shall be rated at least "A" by A.M. Best & Company. The Trustee shall be the beneficiary under such policy.

19. The Borrower shall, prior to or simultaneously with the issuance of the Insured Obligations, furnish a title insurance policy, in form and substance acceptable to B AM, from a title insurance company acceptable to BAM. The face amount of the title insurance policy shall not be less than the principal amount of the Insured Obligations.

20. Except for the Insured Obligations and Additional Bonds issued in accordance with Section 2.12 of the Indenture, neither the Borrower nor the Issuer shall issue or incur, directly or indirectly, any additional bonds, notes, or other indebtedness (i) payable from or secured by the Gross Revenues or any of the other collateral, revenues or income securing the 2024 Bonds or the loan payments or (ii) secured by, or granted a lien on, the Property.

21. Definitions. For purposes of this Exhibit C, in addition to the words and terms defined in this Indenture,

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Insured Obligations" shall mean the 2024 Bonds.

"Issuer" shall mean the Chester County Industrial Development Authority, and its successors and assigns.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

"Security Documents" shall mean the Indenture, Loan Agreement, Ground Lease, Mortgage, Assignment of Leases and Rents, Bonds, Notes, Cooperation Agreement, Services Agreement, any resolution, any ordinance, and/or any additional or supplemental document executed in connection with the Insured Obligations.

APPENDIX B

FORM OF LOAN AGREEMENT

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CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

AND

UNIVERSITY STUDENT HOUSING, LLC

LOAN AGREEMENT

Dated as of October 1, 2024

LOAN AGREEMENT

TABLE OF CONTENTS

ARTICLE I DEFINITIONS 1

Section 1.01 Definitions. 1

Section 1.02 Uses of Phrases. 1

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES 2

Section 2.01 Representations, Covenants and Warranties of the Issuer. 2

Section 2.02 Representations, Covenants and Warranties of the Borrower. 2

Section 2.03 Representations, Covenants and Warranties with Respect to the Foundation. 7

Section 2.04 Notice of Determination of Taxability. 7

ARTICLE III CONSTRUCTION OF THE NEW MONEY PROJECT; ISSUANCE OF THE BONDS 7

Section 3.01 Agreement to Construct, Renovate and Equip the Project. 7

Section 3.02 Agreement to Issue the Bonds; Application of Bond Proceeds. 8

Section 3.03 Disbursements from the Project Fund. 8

Section 3.04 Furnishing Documents to the Trustee. 8

Section 3.05 Completion of New Money Project. 8

Section 3.06 Borrower Required to Pay in Event Project Fund Insufficient. 8

Section 3.07 Special Arbitrage Certifications. 9

ARTICLE IV LOAN PROVISIONS 10

Section 4.01 Loan of Proceeds. 10

Section 4.02 Amounts Payable. 10

Section 4.03 Pledge of Gross Revenues and Certain Agreements. 11

Section 4.04 Reserved. 11

Section 4.05 Use of Depositories. 11

Section 4.06 Limited Obligation. 11

Section 4.07 Set-Off. 12

Section 4.08 Issuance of Additional Bonds. 12

ARTICLE V PREPAYMENT AND REDEMPTION; DAMAGE, DESTRUCTION AND CONDEMNATION 13

Section 5.01 Prepayment and Redemption. 13

Section 5.02 Sale or Disposition, Damage or Destruction. 14
Section 5.03 Condemnation. 14
ARTICLE VI SPECIAL COVENANTS 16
Section 6.01 No Warranty of Condition or Suitability by Issuer. 16
Section 6.02 Access to the Project. 16
Section 6.03 Further Assurances and Corrective Instruments. 16
Section 6.04 Issuer and Borrower Representatives. 16
Section 6.05 Financing Statements. 16
Section 6.06 Covenant to Provide Ongoing Disclosure. 17
Section 6.07 Insurance. 17
Section 6.08 Rate Covenant. 17
Section 6.09 Tax Covenant. 18
Section 6.10 Transfer of Gross Revenues to Trustee. 18
Section 6.11 Annual Budget. 18
Section 6.12 Investment of Moneys. 18
Section 6.13 Incurrence of Other Secured Debt and Unsecured Debt. 18
Section 6.14 Development of Additional Student Housing. 19
ARTICLE VII ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION; REDEMPTION 19
Section 7.01 Assignment, Selling and Leasing. 19
Section 7.02 Release and Indemnification Covenants. 20
Section 7.03 Issuer Grant of Security Interest to Trustee. 21
Section 7.04 Indemnification of Trustee. 21
ARTICLE VIII DEFAULTS AND REMEDIES 21
Section 8.01 Defaults Defined. 21
Section 8.02 Remedies on Default. 22
Section 8.03 No Remedy Exclusive. 23
Section 8.04 Agreement to Pay Attorneys' Fees and Expenses. 23
Section 8.05 No Additional Waiver Implied by One Waiver. 23
ARTICLE IX MISCELLANEOUS 24
Section 9.01 Term of Agreement. 24
Section 9.02 Notices. 24

Section 9.03 Binding Effect. 25
Section 9.04 Severability. 25
Section 9.05 Amounts Remaining in Funds. 25
Section 9.06 Amendments, Changes and Modifications. 25
Section 9.07 Program Investment Requirements. 26
Section 9.08 Execution in Counterparts. 26
Section 9.09 Applicable Law. 26
Section 9.10 Captions. 26

EXHIBIT A - Project Description
EXHIBIT B - Form of Requisition

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") dated as of October 1, 2024, between the Chester County Industrial Development Authority, a public body corporate and politic and an instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") created and existing under the laws of the Commonwealth (together with its successors and assigns, the "Issuer"), and University Student Housing, LLC, a limited liability company organized and existing under the laws of the Commonwealth (together with its successors and assigns, the "Borrower");

W I T N E S S E T H:

That the parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows, provided, that any obligation of the Issuer created by or arising out of this Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Issuer or any political subdivision of the Commonwealth, including Chester County, but shall be payable solely out of the Trust Estate (as defined in the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions.

All capitalized, undefined terms used herein shall have the same meanings as used in Article I of the Indenture of Trust dated as of October 1, 2024 (as amended, supplemented and restated from time to time, the "Indenture") between Chester County Industrial Development Authority, as Issuer, and TD Bank, National Association, as Trustee (the "Trustee").

Section 1.02 Uses of Phrases.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders. Unless the context shall otherwise indicate, the words "Bond," "Bondholder," "Owner," "registered owner" and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds specified herein for any purpose, is to be computed on the unpaid principal amount thereof then Outstanding. All references herein to specific Sections of the Code refer to such Sections of the Code and all successor or replacement provisions thereto.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01 Representations, Covenants and Warranties of the Issuer.

The Issuer represents, covenants and warrants that:

(a) The Issuer is a public body corporate and politic and an instrumentality of the Commonwealth. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder. The Issuer has been duly authorized to execute and deliver this Agreement and the Indenture.

(b) The Issuer covenants that it will not pledge the amounts derived from this Agreement other than as contemplated by the Indenture.

Section 2.02 Representations, Covenants and Warranties of the Borrower.

The Borrower represents, covenants and warrants that:

(a) The Borrower is a limited liability company duly organized and validly existing under the laws of the Commonwealth. The Borrower is not in violation of any provision of its organizational documents, has the corporate power to enter into this Agreement, the Mortgage, the Assignment of Leases and Rents, and the Continuing Disclosure Agreement of even date herewith with respect to the 2024 Bonds, (collectively, the "Financing and Project Agreements") and has duly authorized the execution and delivery of the Financing and Project Agreements and is qualified to do business and is in good standing under the laws of the Commonwealth. The Ground Lease and the Cooperation Agreement were each entered into as of March 1, 2008, and the Service Agreement was entered into as of July 1, 2023, and each are in full force and effect and remain binding on USH.

(b) The Borrower has qualified independently of West Chester University Foundation (the "Foundation") as an organization described in Section 501(c)(3) of the Code, and has not taken and will not take any action that would adversely affect the Borrower's or the Foundation's tax-exempt status under Section 501(c)(3) of the Code.

(c) The Borrower agrees that it will maintain its status as an organization described in Section 501(c)(3) of the Code and will not take or omit to take any action that would cause the Series A Bonds to lose their status as "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code.

(d) The Borrower agrees that, during the Term of this Agreement, it will maintain its existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another legal entity or permit one or

more other legal entities to consolidate with or merge into it, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure without the prior written consent of the Trustee.

(e) Neither the execution and delivery of any of the Financing and Project Agreements, nor the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof conflict with or result in a breach of the terms, conditions, or provisions of any agreement or instrument to which the Borrower is now a party or by which the Borrower is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any such instrument or agreement except as contemplated herein and in the Mortgage.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Borrower or any of its officers, nor to the best knowledge of the Borrower is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by any of the Financing and Project Agreements or which would adversely affect, in any way, the validity or enforceability of the Bonds, any of the Financing and Project Agreements, or any agreement or instrument to which the Borrower is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(g) The estimated Cost of the Project is not less than the proceeds from the sale of the Bonds net of costs of issuance and the Reserve Requirement.

(h) The proceeds from the sale of the Bonds will be used only for payment of Costs of the Project, Issuance Costs and to fund the Debt Service Reserve Fund.

(i) The Borrower will use due diligence to cause the Project to be operated in accordance with the laws, rulings, regulations and ordinances of the Commonwealth and the departments, agencies and political subdivisions thereof. The Borrower will obtain or cause to be obtained all requisite approvals of the Commonwealth and of other federal, state, regional and local governmental bodies for the construction, renovation and equipping of the New Money Project prior to the commencement of work for which any such approval is required.

(j) The Borrower will fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Indenture to perform, including without limitation, the duties, obligations and agreement of the Borrower set forth in the Bond Insurer Provisions attached as Exhibit C to the Indenture. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(k) During the term of this Agreement, the Borrower agrees as to itself and as to each occupant of the Student Housing Facilities controlling, controlled by or under common control with the Borrower to provide in any construction contract as follows:

(i) In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under any contract or any subcontract, the Borrower, a contractor, a subcontractor or any person acting on behalf of the Borrower or contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of the Commonwealth who is qualified and available to perform the work to which the employment relates.

(ii) Neither the Borrower nor any contractor or subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.

(iii) Contractors and subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

(iv) Contractors shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relate.

(v) The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to their books, records, and accounts by the contracting agency and the Bureau of Contract Administration and Business Development (Pennsylvania Department of General Services) for purposes of investigation to ascertain compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, the Contractor or subcontractor shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Contract Administration and Business Development.

(vi) Contractors shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

(l) The Borrower will fully and faithfully perform all its duties and obligations under the Financing and Project Documents and all other agreements related to the Project or contemplated by this Agreement, including, without limitation, the due and full funding of or provision for reserves required by such document.

(m) The Borrower shall maintain or cause to be maintained the Student Housing Facilities in good condition, with allowance for reasonable wear and tear.

(n) The Borrower hereby makes each representation, warranty, certification and covenant which the Indenture recites as being made by the Borrower, including, without limitation, the covenants and certifications for purposes of Section 148 of the Code set forth in Section 6.01(e) of the Indenture.

(o) The Borrower hereby makes each representation, warranty, certification and covenant set forth in Sections 7 and 10 of the Mortgage and as such are incorporated herein by reference.

(p) The Borrower has not and will not:

(i) engage in any business or activity other than the acquisition, construction, renovation, ownership, operation and maintenance of the Mortgaged Premises (as defined in the Mortgage) for the Project or other housing facilities for the benefit of the University ("Other Housing Facilities"), and activities incidental thereto;

(ii) acquire or own any assets other than (A) the Mortgaged Premises or Other Housing Facilities (and assets and real property interests associated with such Other Housing Facilities), and (B) such incidental Service Equipment (as defined in the Mortgage) as may be necessary for the operation of the Mortgaged Premises or Other Housing Facilities;

(iii) merge into or consolidate with any Person, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

(iv) fail to observe all organizational formalities, or fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the applicable laws of the jurisdiction of its organization or formation, or amend, modify, terminate or fail to comply with the provisions of its organizational documents;

(v) own any subsidiary, or make any investment in, any Person unless in furtherance of any business or activity permissible under Section 2.02(p)(i) above;

(vi) commingle its assets with the assets of any other Person;

(vii) incur any indebtedness, other than the obligations and indebtedness associated with Other Housing Facilities, provided that such indebtedness associated with Other Housing Facilities is not secured by any properties that constitute the Mortgaged Premises or revenues derived from the operation of the

Mortgaged Premises, except in accordance with the terms and conditions of the Agreement;

(viii) fail to maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person;

(ix) enter into any contract or agreement with any general partner, member, shareholder, principal or affiliate, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's-length basis with unaffiliated third parties;

(x) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xi) assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(xii) make any loans or advances to any Person;

(xiii) fail to file its own tax returns and tax information returns (except solely to the extent prohibited from doing so, or not required to do so, by applicable laws);

(xiv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or fail to correct any known misunderstanding regarding its separate identity, except that the foregoing shall not prohibit the Borrower's financial or tax reporting to be made from time to time, where consistent with GAAP or applicable tax laws, on a consolidated, consolidating, combined or combining basis to the extent consistent with the non-consolidation opinion being given to Trustee by the Borrower's legal counsel in connection with the delivery of this Mortgage;

(xv) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvi) without the unanimous written consent (A) all the members of the Borrower's Board of Managers, (B) all of the Borrower's members, and (C) all the members of the board of trustees of the Foundation: (i) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, including the Bankruptcy Code, (ii) seek or consent to the appointment of a receiver,

liquidator or any similar official, (iii) take any action that might cause such entity to become insolvent, or (iv) make an assignment for the benefit of creditors;

(xvii) fail to allocate shared expenses;

(xviii) fail to pay its own liabilities (including, without limitation, salaries of its own employees) from its own funds; and

(xix) acquire obligations or securities of its partners, members, shareholders or other affiliates, as applicable.

Section 2.03 Representations, Covenants and Warranties with Respect to the Foundation.

The Foundation represents, covenants and warrants that:

(a) The Foundation is the sole member of the Borrower and is a Pennsylvania nonprofit corporation exempt from taxation under Section 501(a) of the Code, duly organized under the laws of the Commonwealth, and is an organization described in Section 501(c)(3) of the Code.

(b) The Foundation has qualified independently of the Borrower as an organization described in Section 501(c)(3) of the Code, and has not taken, and will not take, any action that would adversely affect the Foundation's or Borrower's tax-exempt status under Section 501(c)(3) of the Code.

Section 2.04 Notice of Determination of Taxability.

Promptly after the Borrower first becomes aware of any Determination of Taxability, the Borrower shall give written notice thereof to the Issuer and the Trustee.

ARTICLE III

CONSTRUCTION OF THE NEW MONEY PROJECT; ISSUANCE OF THE BONDS

Section 3.01 Agreement to Construct, Renovate and Equip the New Money Project.

The Borrower agrees to make all contracts and do all things necessary for the construction, renovation and equipping of the Student Housing Facilities, as contemplated by the New Money Project.

Section 3.02 Agreement to Issue the Bonds; Application of Bond Proceeds.

In order to provide funds for the payment of the Cost of the New Money Project, the Issuer, concurrently with the execution of this Agreement, will issue, sell, and deliver the 2024 Bonds and deposit the proceeds thereof with the Trustee in accordance with the Indenture.

Section 3.03 Disbursements from the Project Fund.

The Issuer has, in the Indenture, authorized and directed the Trustee to make disbursements from the Project Fund to pay the Issuance Costs and Costs of the New Money Project and to reimburse the Borrower for Issuance Costs or Costs of the New Money Project paid by the Borrower. The Trustee shall not make any disbursement from the Project Fund, excluding Issuance Costs, until the Borrower shall have provided the Trustee with a Requisition.

Section 3.04 Furnishing Documents to the Trustee.

The Borrower agrees to cause such Requisitions to be directed to the Trustee as may be necessary to effect payments out of the Project Fund in accordance with Section 3.03 hereof.

Section 3.05 Completion of New Money Project.

Any amount (exclusive of amounts retained by the Trustee in the Project Fund for payment of Costs of the New Money Project not then due and payable) remaining in the Project Fund after completion of the New Money Project and the final requisition from the Project Fund shall be transferred by the Trustee into the General Account of the Bond Fund and used by the Trustee as directed by the Borrower in writing (i) to the Debt Service Reserve Fund to fund the Reserve Requirement, (ii) to purchase 2024 Bonds on the open market prior to such redemption date at prices not in excess of one hundred percent (100%) of the principal amount of such 2024 Bonds or (iii) for any other purpose provided that the Trustee is furnished with an opinion of Bond Counsel addressed to it to the effect that such use is lawful under the Act and will not require that interest on the 2024 Bonds be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by the Indenture provided that prior to any such investment the Trustee is provided with an opinion of Bond Counsel addressed to it to the effect that such investment will not require that interest on the 2024 Bonds be included in gross income for federal income tax purposes.

Section 3.06 Borrower Required to Pay in Event Project Fund Insufficient.

In the event the moneys in the Project Fund available for payment of the Costs of the New Money Project should not be sufficient to pay the Cost of the New Money Project in full, the Borrower agrees to complete the New Money Project and to pay that portion of the Costs of the New Money Project in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Cost of the New Money Project will be sufficient to pay all of the Costs of the New Money Project. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Cost of the New

Money Project pursuant to the provisions of this Section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Owners of any of the 2024 Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under Section 4.02 hereof.

Section 3.07 Special Arbitrage Certifications.

The Borrower and the Issuer covenant not to cause or direct any moneys on deposit in any fund or account to be used in a manner which would cause any Tax-Exempt Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, and the Borrower certifies and covenants to and for the benefit of the Issuer and the Owners of any Tax-Exempt Bonds that so long as there are any Tax-Exempt Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the 2024 Bonds or from any other sources, will not be used in a manner which will cause any Tax-Exempt Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE IV

LOAN PROVISIONS

Section 4.01 Loan of Proceeds.

The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the 2024 Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 3.03 hereof.

Section 4.02 Amounts Payable.

(a) The Borrower hereby covenants and agrees to repay the loan to the Trustee for the benefit of the Owners of the 2024 Bonds, as follows: on or before any Interest Payment Date for the 2024 Bonds or any other date that any payment of interest, premium, if any, or principal or Purchase Price is required to be made in respect of the 2024 Bonds pursuant to the Indenture, until the principal of, premium, if any, and interest on the 2024 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any account of the Bond Fund, will enable the Trustee to pay the amount payable on such date (whether at maturity or upon redemption or acceleration or otherwise), premium, if any, and interest on the 2024 Bonds as provided in the Indenture.

It is understood and agreed that all payments payable by the Borrower under subsection (a) of this Section 4.02 are assigned by the Issuer to the Trustee for the benefit of the Owners of the 2024 Bonds and the other beneficiaries of the Indenture. The Borrower assents to such assignment. The Issuer hereby directs the Borrower, and the Borrower hereby agrees, to pay to the Trustee at the Principal Office of the Trustee all payments payable by the Borrower pursuant to this subsection.

(b) The Borrower will also pay the reasonable expenses of the Issuer related to the issuance of the 2024 Bonds, including but not limited to any fees and charges associated with the establishment and maintenance of the various accounts held with the Trustee under the Indenture, the parties expressly acknowledging and agreeing that the Issuer is not the owner of such various accounts, nor of any funds deposited and/or maintained therein, and the Issuer shall not have the power, discretionary or otherwise, to deliver instructions or direction to the Trustee with respect to the various accounts. The Issuer agrees to make reasonable efforts to notify the Borrower of costs incurred by the Issuer in connection with the issuance of the 2024 Bonds. The Issuer agrees to make reasonable efforts to notify the Borrower of costs incurred by the Issuer in connection with the issuance of the 2024 Bonds.

(c) The Borrower will also pay the reasonable fees and expenses of the Trustee under the Indenture and all other amounts which may be payable to the Trustee under Section 10.02 of the Indenture, such amounts to be paid directly to the Trustee for the Trustee's own account as and when such amounts become due and payable.

(d) In the event the Borrower should fail to make any of the payments required in this Section 4.02, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the relevant 2024 Bonds.

(e) The Borrower will also pay, to the extent not provided above in this Section 4.02, all other amounts necessary for the Issuer to timely make each deposit or payment required by the Indenture, including, without limitation, the funding or replenishment of reserves required by the Indenture.

Section 4.03 Pledge of Gross Revenues and Certain Agreements.

Each of the Issuer and the Borrower (to the full extent applicable) does hereby pledge and grant a lien upon and security interest in and assign the Gross Revenues to the Trustee for the benefit of the Owners of the Bonds and the other beneficiaries of the Indenture to the payment of all sums due hereunder and under the Mortgage. The Borrower does hereby pledge and grant a lien upon and security interest in and assign its interest in (a) the Agreement (subject to the Issuer's Reserved Rights), (b) the Ground Lease, (c) the Mortgage, (d) the Cooperation Agreement, and (e) the Service Agreement as it relates to the Student Housing Facilities, and all of its rights thereunder to the Trustee for the benefit of the Owners of the Bonds and the other beneficiaries of the Indenture to secure the payment of all sums due hereunder, under the Indenture and under the Mortgage.

Section 4.04 Reserved.

Section 4.05 Use of Depositories.

For as long as any of the principal of and interest on any of the 2024 Bonds or any other amounts payable under the Indenture shall be outstanding and unpaid, or until payment in full of the 2024 Bonds and all other amounts payable under the Indenture has been provided for as permitted in the Indenture, the Borrower agrees to collect and deposit the Gross Revenues, as the same are collected, to only accounts with a Depository according to the procedure described in Section 6.10 hereof. The Borrower agrees that the Gross Revenues shall be used only for the purposes and in the manner herein provided, or as provided in the Indenture.

Section 4.06 Limited Obligation.

The Borrower hereby acknowledges and agrees that the Borrower's obligations to make payments required hereunder and to perform and observe the other agreements herein contained shall, subject to the limitations described in this Section 4.06, be absolute and unconditional.

The obligations hereunder are direct, limited obligations of the Borrower payable only from the Gross Revenues and other security granted hereunder with respect to the Project and under the Mortgage. The Borrower's obligations hereunder are not secured in any way by the pledge of gross revenues or other security granted in connection with other bonds heretofore or hereafter issued by the Issuer on behalf of the Borrower and the holders of such other bonds of the Issuer are in no way secured by the Gross Revenues and other security granted hereunder.

Section 4.07 Set-Off.

Subject to Section 4.06, the obligation of the Borrower to make the payments required by this Agreement shall be absolute and unconditional. The Borrower will pay without abatement, diminution or deduction (whether for taxes or otherwise) all such amounts regardless of any cause or circumstance whatsoever including, without limitation, any abatement, reduction, defense, set-off, recoupment or counterclaim that the Borrower may have or assert against the Issuer, the Trustee, any Owner or any other Person. Except as otherwise expressly provided herein, this Agreement shall not terminate, nor shall the obligations of the Borrower be affected, by reason of any defect in or damage to or loss or destruction of all or any part of the Project, the failure of the Issuer to perform or observe any agreement, liability or obligation hereunder or the lawful prohibition of the Borrower's or any other Person's use of the Project, the interference with such use by any Person, the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement or any part hereof, lack of right, power or authority of the Issuer to enter into this Agreement, or for any other cause whether similar or dissimilar to the foregoing, any present or future tax or other law to the contrary notwithstanding, it being the intention of the parties hereto that payments and other amounts payable by the Borrower hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Agreement.

Section 4.08 Issuance of Additional Bonds.

So long as no Default has occurred and is continuing, the Issuer from time to time after the execution and delivery of this Agreement may, with the consent of the Borrower, and provided that the requirements for the issuance of Additional Bonds set forth in the Indenture are met on or prior to the date of issuance of such Additional Bonds, issue Additional Bonds.

The Borrower and the Issuer agree that any Additional Bonds will be equally and ratably secured by the lien on the Trust Estate.

ARTICLE V

PREPAYMENT AND REDEMPTION; DAMAGE, DESTRUCTION AND CONDEMNATION

Section 5.01 Prepayment and Redemption.

(a) The Borrower shall have the option to prepay its obligations hereunder at the times and in the amounts as necessary to exercise its option to cause the 2024 Bonds to be redeemed as set forth in the Indenture and in the 2024 Bonds. The Borrower hereby agrees that it shall prepay its obligations hereunder at the times and in the amounts as necessary to accomplish the mandatory redemption of the 2024 Bonds as set forth in the Indenture and in the 2024 Bonds. The Issuer, at the request of the Borrower Representative, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding 2024 Bonds, as may be specified by the Borrower Representative, on the date established for such redemption.

(b) The Borrower may, as provided in Section 5.02 hereof, be required to prepay amounts due under this Agreement and the 2024 Bonds from Net Proceeds.

The Borrower shall proceed under this Section by giving the Issuer and the Trustee a certificate signed by a Borrower Representative:

(i) within thirty (30) days of the receipt by the Borrower or the Trustee of any Net Proceeds to be applied pursuant to this Section;

(ii) instructing the Issuer and the Trustee to commence a full or partial redemption of the 2024 Bonds and, if such redemption is in part, specifying the designation of redemption price and order of redemption of such 2024 Bonds; and

(iii) specifying a date for the closing of the prepayment of the 2024 Bonds and redemption of the 2024 Bonds, which must be a Business Day not less than forty-five (45) days from the date the certificate signed by a Borrower Representative is received by the Trustee.

On the date specified in such notice for the prepayment of the 2024 Bonds and redemption of the 2024 Bonds, the 2024 Bonds so specified shall be due and payable. Not less than four (4) Business Days prior to the date fixed for the redemption of the 2024 Bonds, the Borrower agrees to prepay the 2024 Bonds, in whole or in part as specified in the certificate signed by a Borrower Representative, by delivering in immediately available funds to the Trustee the sum of 100% of the principal amount of the 2024 Bonds being redeemed, the full amount of the unpaid interest which has accrued on the 2024 Bonds and will accrue through the date the 2024 Bonds are redeemed, and the full amount of any unpaid Trustee and Issuer expenses.

Section 5.02 Sale or Disposition, Damage or Destruction.

The Borrower agrees to provide written notification to the Issuer and the Trustee immediately in the case of (a) a sale or disposition of all or any portion of the Student Housing Facilities (including equipment) or (b) damage to, or destruction of all or any portion of the Student Housing Facilities (including equipment) resulting from fire or other casualty, if such sale, disposition, damage or destruction is in an amount in excess of $100,000.

The Borrower and the Issuer agree that upon receipt, all Net Proceeds in excess of $100,000 shall be assigned to the Trustee and deposited by the Trustee in the Net Proceeds Account of the Project Fund. So long as no Default or Event of Default hereunder has occurred and is continuing, Net Proceeds that do not exceed $100,000 will be deposited with a Depository and transferred to the Trustee for deposit in the Pledged Revenue Fund.

In the event Net Proceeds exceed $100,000, the Borrower agrees that it will, within ninety (90) days after the receipt of such Net Proceeds, proceed with one of the following three options and will provide written notification to the Trustee of its election:

(a) Option A--Repairs and Improvements. The Borrower shall use the Net Proceeds to repair, reconstruct and restore the Project or to make other capital improvements to the Student Housing Facilities. So long as no Default or Event of Default has occurred and is continuing, any Net Proceeds received by the Issuer and the Trustee will be disbursed from time to time to the Borrower pursuant to Section 5.03(d)(iii)(2) of the Indenture for such purposes in the same manner as disbursements for the Project under the provisions of Section 5.03(d)(ii) of the Indenture. In the event the Borrower elects this Option A, the Borrower agrees to complete the repair, reconstruction and restoration of or improvements to the Student Housing Facilities, whether or not the Net Proceeds received by the Borrower for that purpose are sufficient to pay for them.

(b) Option B--Prepayment of 2024 Bonds. The Borrower shall direct that the Net Proceeds be applied to the prepayment and redemption of the 2024 Bonds. In that event, the Borrower will direct the Issuer and the Trustee, in writing, to apply the Net Proceeds, when and as received, to the prepayment of 2024 Bonds in the manner specified in Section 5.01(b) hereof and to the redemption of 2024 Bonds pursuant to Section 5.03(d)(iii)(1) of the Indenture.

(c) Option C--Partial Repair and Partial Prepayment. The Borrower shall use a portion of the Net Proceeds to repair, reconstruct and restore the Student Housing Facilities or to make other capital improvements to the Student Housing Facilities as provided in subparagraph (a) and shall apply the portion of the Net Proceeds to be used for prepayment of the 2024 Bonds as provided in subparagraph (b).

Section 5.03 Condemnation.

The Borrower, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking of all or any part of the Student Housing Facilities or any portion of it for public or quasi-public use, agrees to provide written notification to the Issuer

and the Trustee. The Issuer and the Trustee may participate in those proceedings, and the Borrower from time to time will deliver or cause to be delivered to the Issuer and the Trustee all instruments requested by either of them to permit that participation.

The Borrower and the Issuer agree that, upon receipt, all Net Proceeds in excess of $100,000 will be deposited in an account with a Depository and transferred to the Trustee for deposit to the Net Proceeds Account of the Project Fund. So long as no Default or Event of Default hereunder has occurred and is continuing, Net Proceeds that do not exceed $100,000 will be deposited in an account with a Depository and transferred to the Trustee for deposit in the Pledged Revenue Fund.

In the event Net Proceeds exceed $100,000, the Borrower agrees that it will, within 90 days after receipt of such Net Proceeds, proceed with one of the following three options and will provide written notification to the Trustee of such election:

(a) Option A--Repairs and Improvements. The Borrower shall use the Net Proceeds for repairs, rebuilding and improvements to the portion of the Student Housing Facilities not condemned or taken. So long as no Default or Event of Default has occurred and is continuing, any Net Proceeds received by the Issuer and the Trustee will be disbursed from time to time to the Borrower pursuant to Section 5.03(d)(iii)(2) of the Indenture to be used for such purposes in the same manner as disbursements for the Student Housing Facilities under the provisions of Section 5.03(d)(ii) of the Indenture. The Borrower agrees to apply the Net Proceeds so received solely to the purposes specified in its written election delivered to the Issuer and the Trustee.

(b) Option B--Prepayment of 2024 Bonds. The Borrower may elect to have the Net Proceeds payable as a result of the condemnation or taking relating to the Project shall be applied to the prepayment and redemption of the 2024 Bonds. In that event the Borrower agrees that it will direct the Issuer and the Trustee, in writing, to apply the Net Proceeds, when and as received, to the prepayment of the 2024 Bonds in the manner specified in Section 5.01(b) and to the redemption of 2024 Bonds pursuant to Section 5.03(d)(iii)(1) of the Indenture.

(c) Option C--Partial Repair and Partial Prepayment. The Borrower shall use a portion of the Net Proceeds to repair, reconstruct and restore the Student Housing Facilities or to make other capital improvements to the Student Housing Facilities as provided in subparagraph (a) and shall apply the portion of the Net Proceeds to be used for prepayment of the 2024 Bonds as provided in subparagraph (b).

ARTICLE VI

SPECIAL COVENANTS

Section 6.01 No Warranty of Condition or Suitability by Issuer.

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE BORROWER. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE BORROWER WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE BORROWER'S PURPOSES.

Section 6.02 Access to the Project.

The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project at all reasonable times and on reasonable notice. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times, to examine the books and records of the Borrower with respect to the Project.

Section 6.03 Further Assurances and Corrective Instruments.

The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

Section 6.04 Issuer and Borrower Representatives.

Whenever under the provisions of this Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given for the Issuer by an Issuer Representative and for the Borrower by a Borrower Representative. The Trustee shall be authorized to act on any such approval or request.

Section 6.05 Financing Statements.

The Borrower agrees to cooperate with the Trustee in the filing of any and all financing statements or amendments thereof or continuation statements necessary to perfect and continue the perfection of the security interests granted in this Agreement and the Mortgage. The Borrower shall pay all costs of filing such instruments.

Section 6.06 Covenant to Provide Ongoing Disclosure.

The Borrower has entered into a written undertaking (the "Undertaking") for the benefit of the holders of the 2024 Bonds as required by Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Borrower agrees to comply with its obligations as set forth in the Undertaking.

Section 6.07 Insurance.

The Borrower agrees to maintain or cause to be maintained, at its sole cost and expense, insurance with respect to its property and operations in accordance with the provisions of the Ground Lease and the Mortgage. In the event the insurance provisions of such documents are not in effect, the Borrower shall maintain insurance substantially comparable to that maintained at its other facilities and that maintained at other comparable student residence facilities in the Pennsylvania State System of Higher Education.

Section 6.08 Rate Covenant.

(a) (i) The Borrower agrees that it will, subject to applicable requirements or restrictions imposed by law, charge and maintain reasonable rental rates for the units comprising the Student Housing Facilities at a level which will always provide Income Available for Debt Service in each Fiscal Year which is at least equal to 120% of the Debt Service Requirement due in such year on all Outstanding Bonds; (ii) on or before October 1 of each year, commencing October 1, 2025, the Borrower shall file with the Trustee a calculation certified to the Trustee in writing by a Borrower Representative of the percentage of Income Available for Debt Service to the Debt Service Requirement for the immediately preceding Fiscal Year based on the audited financial statements filed pursuant to the Undertaking. If such certificate sets forth a percentage of less than 120%, the Borrower shall, within 30 days of delivery of such certificate, retain the services of a Consultant reasonably satisfactory to the Trustee. Such Consultant shall examine the rents, fees and prices as well as the Operating Expenses for the Student Housing Facilities and shall within 60 days of the date of employment, file a report with the Trustee and the Borrower containing recommendations regarding the setting of rates and other matters with respect to the operations of the Student Housing Facilities. The Borrower shall follow the recommendations contained in such report. The failure of the Income Available for Debt Service to actually equal at least 120% of the Debt Service Requirement in each Fiscal Year shall not constitute a Default so long as (X) the Borrower follows the recommendations of the Consultant and (Y) the Income Available for Debt Service actually equaled at least 100% of the Debt Service Requirement in such Fiscal Year.

(b) This Section is not to be construed to prohibit the Borrower from giving housing grants to certain students or from serving any class or classes of students at reduced rates so long as that service does not prevent the Borrower from satisfying the other requirements of this Section.

Section 6.09 Tax Covenant.

The Issuer, the Borrower and the Foundation covenant that they will not take any action which will, or fail to take any action which failure will, cause a Determination of Taxability with respect to any Tax-Exempt Bonds. The Issuer, the Borrower and the Foundation covenant to do and perform all acts and things permitted by law and necessary to assure that interest paid on any Tax-Exempt Bonds be and remain excluded from gross income of the Owners thereof for federal income tax purposes. To that end, the Issuer will take any action reasonably requested by the Borrower in complying with all requirements of Section 148 of the Code to the extent applicable to any Tax-Exempt Bonds. The Issuer shall not be subject to liability to the Borrower, the Trustee or any Owner of any Bond or any other Person by reason of a failure of compliance with this Section 6.09. The Borrower and the Foundation covenant that they will not purchase, or permit any "related person" (as defined in Section 147 (a)(2) of the Code) to purchase, pursuant to any arrangement, formal or informal, the Tax-Exempt Bonds in an amount related to the amount in this loan.

Section 6.10 Transfer of Gross Revenues to Trustee.

The Borrower shall utilize one or more accounts to be held separate and apart from all accounts of the Borrower which do not relate to the Project and to be disbursed in a manner not inconsistent with the provisions of the Indenture. The Borrower shall deposit the Gross Revenues, as the same are collected, into such an account. The Borrower shall transfer, or cause the Depository of each such account to transfer, all amounts on deposit therein to the Trustee for deposit to the Current Revenue Account or the Prepaid Revenue Account, as applicable, of the Pledged Revenue Fund of the Indenture no less frequently than monthly (except Net Proceeds in excess of $100,000, which the Borrower shall direct in writing to be transferred directly to the Net Proceeds Account of the Project Fund). The Borrower shall not deposit any Gross Revenues with a financial institution other than a Depository, except as set forth herein.

Section 6.11 Annual Budget.

The Borrower shall prepare an Annual Budget prior to the beginning of each fiscal year, a copy of which shall be sent to the University and the Trustee. The Annual Budget shall set forth on a month-by-month basis the budgeted Operating Expenses, Debt Service, Replacement Requirement, Base Rent and Additional Rent.

Section 6.12 Investment of Moneys.

Each account holding Gross Revenues shall be invested in any of the investments set forth in Section 6.01 of the Indenture.

Section 6.13 Incurrence of Other Secured Debt and Unsecured Debt.

(a) Additional indebtedness (other than Additional Bonds) secured by the Project or Gross Revenues may not be outstanding in an amount in excess of $1,000,000 and shall not be incurred with more than 2% original issue premium. The proceeds of such indebtedness may be used for any permitted corporate purpose of the Borrower related to the

Project or the Project's operation or management in any manner. It shall be a condition to the incurrence of such indebtedness that no default, or circumstance that with the passage of time would become a default under the Indenture or this Agreement exist immediately prior to or as a consequence of the incurrence of such indebtedness. A certificate of the Borrower shall be delivered to the Trustee certifying the satisfaction of such condition.

(b) Additional indebtedness not secured by the Project or any Gross Revenues may be incurred by the Borrower without compliance with any condition or provision of this Agreement or the Indenture.

Section 6.14 Development of Additional Student Housing.

The Borrower will not undertake to develop additional student housing for the benefit of the University unless:

(a) the Borrower is not then in default under this Agreement;

(b) the average academic year occupancy for the Student Housing Facilities for the previous two (2) academic years (excluding summer terms), or, if the Student Housing Facilities has been open for less than two academic years, the average occupancy for the period of time during which the Student Housing Facilities has been available for occupancy (excluding summer terms), is at least ninety-five percent (95%);

(c) an independent consultant experienced in preparing student housing market studies performs and delivers to the Trustee a market study which demonstrates sufficient demand for a such additional student housing; and

(d) an independent consultant experienced in preparing financial projections, or an underwriter or financial services firm that is part of the financing team for the proposed indebtedness associated with the additional student housing, delivers to the Trustee a projection, prepared on substantially the same basis as the financial projections prepared in conjunction with the financing of the Student Housing Facilities, demonstrating that projected debt service coverage relative to the additional student housing for the first full academic year following completion of such additional student housing will be at least 1.20x.

ARTICLE VII

ASSIGNMENT, SELLING, LEASING; INDEMNIFICATION; REDEMPTION

Section 7.01 Assignment, Selling and Leasing.

This Agreement may be assigned and the Student Housing Facilities may be sold or leased, as a whole or in part, without the necessity of obtaining the written consent of either the Issuer or the Trustee; provided, however, that no such assignment, sale or lease shall, in the

opinion of Bond Counsel, result in interest on any of the Tax-Exempt Bonds becoming includable in gross income for federal income tax purposes, or shall otherwise violate any provisions of the Act; provided further, however, that no such assignment, sale or lease shall relieve the Borrower of any of its obligations under this Agreement unless the Bonds and other obligations under the Indenture have been paid or defeased in accordance therewith.

Section 7.02 Release and Indemnification Covenants.

(a) The Borrower shall and hereby agrees to indemnify and save the Issuer and the Trustee harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Student Housing Facilities during the Term of this Agreement, including without limitation, (i) any condition of the Student Housing Facilities, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under this Agreement, (iii) any claims relating to the Bonds and their tax status, (iv) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees or licensees or (v) 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. The Borrower shall indemnify and save the Issuer and the Trustee harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, 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) Notwithstanding the fact that it is the intention of the parties hereto that neither the Issuer nor the Trustee shall incur any pecuniary liability by reason of the terms of this Agreement or the undertakings required of the Issuer or the Trustee hereunder or under the Indenture, by reason of the issuance of the 2024 Bonds, by reason of the execution of the Indenture or by reason of the performance of any act requested of the Issuer or the Trustee by the Borrower, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulation 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 the Issuer and/or the Trustee harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or out of any offering statement or lack of offering statement in connection with the sale or resale of the Bonds and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer or the Trustee, the Borrower shall defend the Issuer and/or the Trustee in any such action or proceeding. All references to the Issuer and/or the Trustee in this Section 7.02 shall be deemed to include its commissioners, directors, officers, employees, and agents.

Notwithstanding anything to the contrary contained herein, the Borrower shall have no liability to indemnify the Issuer against claims or damages resulting from the Issuer's own gross negligence or willful misconduct.

Section 7.03 Issuer Grant of Security Interest to Trustee.

The parties hereto agree that pursuant to the Indenture, the Issuer shall assign to the Trustee, in order to secure payment of the Bonds and any other amounts secured thereunder, all of the Issuer's right, title and interest in and to (a) this Agreement (except for Reserved Rights), (b) the Ground Lease, (c) the Mortgage, (d) the Cooperation Agreement, and (e) the Service Agreement.

Section 7.04 Indemnification of Trustee.

The Borrower shall and hereby agrees to indemnify the Trustee for, and hold the Trustee harmless against, any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without gross negligence or willful misconduct by the Trustee and arising out of or in connection with its acting as Trustee under the Indenture.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01 Defaults Defined.

The following shall be "Defaults" under this Agreement and the term "Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any amount required to be paid under Section 4.02(a) or (e) hereof.

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 8.01(a) hereof, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, it shall not constitute a Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until such failure is corrected.

(c) The dissolution or liquidation of the Borrower, except as authorized by Section 2.02 hereof, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for sixty (60) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Student Housing Facilities, or assignment by the Borrower for the

benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

(d) The occurrence of a Default under the Indenture.

(e) The occurrence of (i) a default under the Interagency Agreement which results in a reversion to the Commonwealth of the premises covered by the Ground Lease or (ii) a default by the Borrower under the Ground Lease.

The provisions of subsection (b) of this Section are subject to the following limitation: if by reason of force majeure the Borrower is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Borrower shall not be deemed in Default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders, restraints or directives of any kind of the government of the United States of America or of the Commonwealth or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; pandemics or the spread of infectious diseases; breakage or accident to machinery, transmission pipes or canals; and any other cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement, provided that the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Section 8.02 Remedies on Default.

Whenever any Default referred to in Section 8.01 hereof shall have happened and be continuing, the Trustee, or the Issuer with the written consent of the Trustee, may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the 2024 Bonds immediately due and payable pursuant to Section 8.02 of the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the 2024 Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower during regular business hours of the Borrower if reasonably necessary in the opinion of the Trustee; or

(c) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce

performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

Section 8.03 No Remedy Exclusive.

Subject to Section 8.02 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Trustee 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 Agreement or now or hereafter existing at law or in equity. 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 or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or 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 required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Owners of the 2024 Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 8.04 Agreement to Pay Attorneys' Fees and Expenses.

In the event the Borrower should default under any of the provisions of this Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of payments required 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 will on demand therefor pay to the Issuer and/or the Trustee the reasonable fees of such attorneys and such other expenses so incurred by the Issuer or the Trustee. Notwithstanding anything contained herein to the contrary, if under any circumstances, the Borrower is required to pay any or all of the Issuer's or Trustee's attorneys' fees and expenses, the Borrower shall be responsible only for actual legal fees and out of pocket expenses incurred by the Issuer and/or the Trustee and their counsel at normal hourly rates for the work done.

Section 8.05 No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Term of Agreement.

This Agreement shall remain in full force and effect from the date hereof to and including August 1, 2055 or until such time as all of the Bonds and the fees and expenses of the Issuer and the Trustee shall have been fully paid or provision made for such payments, whichever is later; provided, however, that this Agreement may be terminated prior to such date pursuant to Article V of this Agreement, but in no event before all of the obligations and duties of the Borrower hereunder have been fully performed, including, without limitation, the payments of all costs and fees mandated hereunder.

Section 9.02 Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, sent by facsimile or overnight delivery service addressed as follows:

If to the Issuer:

Chester County Industrial Development Authority
737 Constitution Drive
Exton, PA 19341
Attention: Executive Director
Phone: [redacted]
Email: [redacted]

If to the Trustee:

TD Bank, National Association
12000 Horizon Way
Mt. Laurel, NJ 08054
Attention: [redacted]
Phone: [redacted]
Email: [redacted]

If to the Borrower:

University Student Housing, LLC
202 Carter Drive
West Chester, PA 19381
Attention: Chief Financial Officer
Phone: [redacted]
Email: [redacted]

If to the Foundation:

West Chester University Foundation
202 Carter Drive
PO Box 541
West Chester, PA 19381
Attention: Executive Director
Phone: [redacted]
Email: [redacted]

If to S&P: S&P Global Ratings, a Standard & Poor's Financial Services LLC business
55 Water Street
New York, New York 10041
Attention: Corporate Finance Department
Phone: [redacted]
Facsimile: [redacted]

A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower and the Trustee may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 9.03 Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Owners of the 2024 Bonds and their respective successors and assigns, subject, however, to the limitations contained in Section 2.02(b) hereof.

Section 9.04 Severability.

In the event any provision of this 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 9.05 Amounts Remaining in Funds.

Subject to the provisions of Section 6.04 of the Indenture, it is agreed by the parties hereto that any amounts remaining in any account of the Bond Fund, the Project Fund, or any other fund (other than the Rebate Fund) created under the Indenture upon expiration or earlier termination of this Agreement, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the fees and expenses of the Trustee and all other amounts payable hereunder or under the Indenture in accordance with the Indenture, shall belong to and be paid to the Borrower by the Trustee.

Section 9.06 Amendments, Changes and Modifications.

Subsequent to the issuance of 2024 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Trustee in accordance with the provisions of the Indenture.

Section 9.07 **Program Investment Requirements.**

Any obligor on any purpose investment relating to the Bonds and any related party to that obligor shall not purchase the Bonds or any bonds of an issue that finance the program related to this Agreement in an amount related to the principal amount of the Bonds to which this Agreement relates.

Section 9.08 Execution in Counterparts.

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.09 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.10 Captions.

The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

(SEAL)

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Attest:

By:_____
Title: Chairman

By:_____
Title: Assistant Secretary

UNIVERSITY STUDENT HOUSING, LLC

By:_____
Title: Executive Director

By:_____
Title: Chief Financial Officer

West Chester University Foundation is hereby executing and delivering this Loan Agreement solely for the purpose of making the representations, covenants and warranties set forth in Section 2.03 and 6.09 hereof.

(SEAL)

WEST CHESTER UNIVERSITY FOUNDATION

Attest:_____
Title:

By:_____
Title:

By:_____
Title:

ASSIGNMENT OF LOAN AGREEMENT

The Issuer, subject to the Reserved Rights (as defined in the Indenture) hereby pledges and assigns its rights, title and interest in this Agreement to the Trustee under the Indenture.

(SEAL)

CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Attest:

By:_____
Title: Chairman

By:_____
Title: Assistant Secretary

EXHIBIT A

PROJECT DESCRIPTION

The project being financed includes (i) the current refunding of all of the Authority's Student Housing Revenue Refunding Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 (the "Refunded Bonds"); (ii) the financing of miscellaneous capital expenditures within and for the benefit of students attending West Chester University of Pennsylvania of the Pennsylvania State System of Higher Education (the "New Money Project"), including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "Student Housing Facilities"); (iii) providing for necessary reserves, including the funding of all or a portion of debt service reserve, if needed or desired; (iv) obtaining appropriate credit enhancement or bond insurance, if needed or desired; (v) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds; and (vi) paying the costs of issuance of the 2024 Bonds (collectively (i) through (vi) is defined as the "Project").

EXHIBIT B

REQUISITION NO. ____

Amount Requested:

Total Disbursements to Date:

Account to be Disbursed From:

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Exhibit A hereto together with the name and address of the person, firm or corporation to whom payment is due.

2. The bills, invoices or statements of account for each obligation referenced in Exhibit A are on file with the Borrower.

3. The Borrower hereby certifies that:

(a) each obligation mentioned in Exhibit A has been properly incurred, is a proper charge against the Project Fund or the Replacement Fund or the Surplus Fund, as the case may be, and has not been the basis of any previous disbursement;

(b) no part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the New Money Project or for services not yet performed in connection therewith; and

(c) the expenditures of the amount requested under this Requisition, when added to all disbursements under previous Requisitions, will result in no more than two percent (2%) of the aggregate face amount of the Bonds being used for payment of Issuance Costs, excluding the Credit Facility commitment fee.

(d) [this is the final requisition relative to the New Money Project.]

4. All capitalized terms herein shall have the meanings assigned to them in the Loan Agreement dated as of October 1, 2024 between Chester County Industrial Development Authority and University Student Housing, LLC.

This _____ day of _____, 20__.

UNIVERSITY STUDENT HOUSING, LLC

By:_____
Borrower Representative

APPENDIX C

COPY OF GROUND LEASE

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EXECUTION COPY

GROUND LEASE AGREEMENT

Between

WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION

Lessor

and

UNIVERSITY STUDENT HOUSING, LLC

Lessee

Dated: March 1, 2008

Location: The Borough of West Chester, Chester County, Pennsylvania

TABLE OF CONTENTS

ARTICLE 1 - Property and Term 2
ARTICLE 2 - Rent 3
ARTICLE 3 - Representations and Warranties of Lessor and Lessee 5
ARTICLE 4 - Taxes and Assessments 6
ARTICLE 5 - Utility Services 7
ARTICLE 6 - Lessor's Right to Perform 8
ARTICLE 7 - Interest On Unpaid Amounts 8
ARTICLE 8 - Compliance With Law And Ordinances 9
ARTICLE 9 - Condition; Quiet Enjoyment 9
ARTICLE 10 - Financing and Construction of the Improvements 10
ARTICLE 11 - Use and Operation 20
ARTICLE 12 - Reserves 22
ARTICLE 13 - Assignment and Subletting 22
ARTICLE 14 - Maintenance, Repair and Replacement 24
ARTICLE 15 - Indemnification 25
ARTICLE 16 - Police Services and Security 25
ARTICLE 17 - Insurance 25
ARTICLE 18 - Damage and Destruction 28
ARTICLE 19 - Mortgaging of the Leasehold 30
ARTICLE 20 - Default 35
ARTICLE 21 - Expiration or Termination 36
ARTICLE 22 - Access and Inspection 37
ARTICLE 23 - Regulations 38
ARTICLE 24 - Condemnation 38
ARTICLE 25 - Estoppel Certificates 39
ARTICLE 26 - Option to Purchase 39
ARTICLE 27 - Leesee's Liability 41
ARTICLE 28 - Notices 41
ARTICLE 29 - Submission of Matters to Lessor for Approval 43
ARTICLE 30 - Holding Over by Lessee 44
ARTICLE 31 - Sublease 44
ARTICLE 32 - Miscellaneous 45

EXHIBIT "A-1"	-	LEGAL DESCRIPTION OF PREMISES
EXHIBIT "A-2"	-	INFORMATION CONCERNING STUDENT HOUSING FACILITIES
EXHIBIT "B-1"	-	ACCESS LICENSES
EXHIBIT "B-2"	-	CONSTRUCTION STAGING LICENSE
EXHIBIT "B-3"	-	UTILITY LICENSES
EXHIBIT "B-4"	-	STORMWATER LICENSE AREA
EXHIBIT "B-5"	-	GEOTHERMAL FIELD LICENSE AREA
EXHIBIT "B-6"	-	GEOTHERMAL FIELD LICENSE AREA
EXHIBIT "C-1"	-	WAIVER OF LIENS STIPULATION BY CONTRACTOR
EXHIBIT "C-2"	-	WAIVER OF LIENS STIPULATION BY SUBCONTRACTOR
EXHIBIT "C-3"	-	PROGRESS LIEN RELEASES AND WAIVERS
EXHIBIT "D"	-	RULES AND REGULATIONS
EXHIBIT "E"	-	SUBLEASE PREMISES
EXHIBIT "F"	-	SUBLEASE UTILITIES
SCHEDULE 1	-	PLANS AND SPECIFICATIONS

GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (this "***Ground Lease***") is made and entered into as of this 1st day of March, 2008 by and between WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania ("***Lessor***"), and UNIVERSITY STUDENT HOUSING, LLC, a limited liability company organized under the laws of the Commonwealth of Pennsylvania ("***Lessee***").

WITNESSETH:

WHEREAS, pursuant to that certain Interagency Agreement for Transfer of Real Property (the "***Interagency Agreement***") dated as of February 25, 2002, between the Commonwealth of Pennsylvania Department of General Services (the "***DGS***") and the State System of Higher Education (of which Lessor is a member institution), Lessor owns, or has occupancy, custody and control over, certain property located on Lessor's campus (the "***Campus***"), as more particularly described in **Exhibit "A-1"** attached hereto, together with all appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto (collectively, the "***Property***");

WHEREAS, Lessee is a separately organized limited liability company exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, independent of Lessor, whose sole member is West Chester University Foundation, a Pennsylvania nonprofit corporation also independent of Lessor;

WHEREAS, Lessee exists for, among other purposes, acquiring, constructing, or otherwise providing buildings, grounds, or other suitable facilities, improvements or equipment for West Chester University of Pennsylvania or for the use or benefit of West Chester University of Pennsylvania or its faculty, staff or students;

WHEREAS, Lessee desires to construct and operate one or more housing facilities containing rooms, suites and/or other residential accommodations and facilities for students of Lessor and Attendees (as such term is defined below in Section 11.1) on the Property (the "***Student Housing Facilities***" and, with any additional or related alterations, improvements, and additions permitted to be constructed on the Property hereunder, collectively, the "***Improvements***");

WHEREAS, the approximate number of rooms, the intended use/type of occupants, the expected dates for commencement and completion of construction and the expected occupancy dates for the Student Housing Facilities currently contemplated by Lessee are set forth on **Exhibit "A-2"** attached hereto; and

WHEREAS, Lessor desires to lease the Property to Lessee for the purpose of enabling Lessee to construct and operate the Student Housing Facilities for the use and benefit of the students of Lessor and Attendees.

NOW, THEREFORE, in consideration of the premises, the rental to be paid hereunder, the mutual covenants and agreements herein set forth by each party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each party hereto, Lessor and Lessee hereby agree as follows with the intent to be legally bound:

ARTICLE 1
Property and Term

1.1 Lease of Property; Parking; Release of Property.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Property. The Property, together with the Student Housing Facilities and any other Improvements, is sometimes collectively referred to herein as the "***Premises***." Lessor reserves the right to control any parking lots or spaces on the Property and to use or grant to third parties with or without charge a license to use such parking facilities; *provided, however*, Lessor shall not use, permit the use of, or restrict the use of, any parking lots or spaces such that any use or restriction violates any zoning or other local ordinances, statutes, laws or regulations. Lessor further reserves the right from time-to-time following completion of construction of the Improvements and upon at least thirty (30) days' prior written notice to Lessee to cause any portion of the Property on which the Student Housing Facilities and other Improvements are not constructed to be released from this Ground Lease, provided that: (i) such release does not have a material adverse effect on the operations of the Student Housing Facilities and other Improvements; and (ii) Citizens Bank of Pennsylvania, or any other credit enhancement provider for the Bonds (as such term is defined below in Section 19.1 hereof), consents thereto in writing, which such consent shall not be unreasonably withheld, delayed or conditioned.

The Property is intended to be the "footprint" of the Student Housing Facilities which such "footprint" shall include an area of five (5) feet around each building to be included as part of the Student Housing Facilities and the Improvements. Accordingly, if an as-built survey completed after construction of the Student Housing Facilities and the Improvements indicates that the "footprint" of the Student Housing Facilities or the Improvements varies from the description of the Property, then the parties hereto agree to execute an amendment to this Ground Lease (and corresponding Memorandum of Ground Lease) conforming the description of the Property to such "footprint." As contemplated in this Section 1.1, should an amendment to this Ground Lease (and corresponding Memorandum of Ground Lease) be necessary, Lessee hereby covenants to amend the Leasehold Mortgage and endorse the title policy as required to reflect such changes.

1.2 Term. The term of this Ground Lease (the "***Term***") shall commence on the date hereof and shall expire at 11:59 p.m. on July 1, 2053, such date being at least ten (10) years beyond the final maturity of the Bonds (as such term is defined below in Article 19); *provided, however*, that if all Leasehold Mortgages (as such term is defined below in Article 19) are satisfied, then this Ground Lease shall terminate on such date.

ARTICLE 2
Rent

2.1 Base Rent. As minimum rent for the lease of the Property during the Term ("***Base Rent***"), Lessee shall pay to Lessor the amount of Seven Thousand Fifty-Eight Dollars ($7,058) in respect of each Lease Year (as such term is defined below in Section 2.3) commencing with the Lease Year beginning July 1, 2009; *provided, however*, that the amount of Base Rent shall be subject to adjustment as provided in Section 2.2 below. Base Rent in respect of each Lease Year shall be payable in one lump sum, in arrears and without demand, within one hundred eighty (180) days after the end of each Lease Year.

2.2 Adjustment of Base Rent. Beginning with the Lease Year ending on June 30, 2011 and every July 1 thereafter, Base Rent set forth in Section 2.1 shall be increased by three percent (3%) in excess of the Base Rent in effect in respect of the immediately preceding Lease Year.

2.3 Lease Year. For purposes of this Ground Lease, the term "***Lease Year***" shall mean each twelve (12) month period commencing July 1 and ending on the next succeeding June 30, or on any such date upon the expiration or earlier termination date of this Ground Lease. If this Ground Lease terminates on any day other than June 30, Lessee shall pay to Lessor a pro rata portion of the Base Rent through such termination date.

2.4 Percentage Rent.

(a) In addition to the payment of Base Rent, Lessee hereby covenants and agrees to pay to Lessor throughout the Term the following amounts (collectively, the "***Percentage Rent***"): zero percent (0%) of the Net Available Cash Flow (as such term is defined in Section 2.4(b) herein). Subject to the Bond Documents (as such term is hereinafter defined in Section 19.1), Percentage Rent shall be paid to Lessor within one hundred eighty (180) days after the end of each Lease Year, with the remainder of Net Available Cash Flow to be retained by Lessee.

(b) As used herein, the term "Net Available Cash Flow" for each Lease Year means: (i) the gross cash receipts received by Lessee from the operation of the Student Housing Facilities during each Lease Year ("***Gross Revenue***"); minus (ii) the sum of (A) Base Rent and Additional Rent (as such term is hereinafter defined in Section 2.6); plus (B) required deposits made to reserves pursuant to Article 12 hereof, less amounts paid out of reserves for any expenditures described in (D) below (which number may be a negative number); plus (C) debt service on and other fees and expenses paid in respect of the Bonds or Qualified Swap Agreement (as such term is defined in the Bond Documents); plus (D) other cash expenditures made by Lessee during such Lease Year in respect of the Management Fee under the Management Agreement or otherwise in connection with the ownership, financing and operation of the Student Housing Facilities or Improvements.

(c) Notwithstanding anything foregoing to the contrary, if the Net Available Cash Flow for a Lease Year is zero (0) or a negative amount, no Percentage Rent shall be paid to Lessor for such Lease Year and it is understood that Lessor is under no obligation, express or implied, to contribute or pay Lessee for any such deficit in Net Available Cash Flow.

2.5 Initial Payment; System Fee.

(a) Upon execution of this Ground Lease, Lessee shall make a one-time, non-reoccurring an initial payment of Seventy Thousand Dollars ($70,000) (the "***Initial Payment***") to Lessor for the purpose of reimbursing Lessor for various costs incurred by Lessor in connection with this Ground Lease and the matters contemplated herein.

(b) Commencing with the Lease Year ending June 30, 2010, Lessee shall no later than sixty (60) days after the end of each Lease Year, pay to Lessor the System Fee (as such term is defined below), which sum shall be remitted by Lessor to the State System of Higher Education in accordance with applicable law. For purposes of this Ground Lease, the term "***System Fee***" shall mean an amount equal to one-half of one percent (0.5%) of that portion of the Gross Revenue constituting the actual room rental charges for the Improvements.

2.6 Additional Rent. In addition to the payment of Base Rent, Percentage Rent and System Fee, Lessee shall pay when due any and all other sums of money required to be paid by Lessee to Lessor under this Ground Lease (such sums of money, collectively, "***Additional Rent***" and, together with Base Rent, Percentage Rent and System Fee, collectively, "***Rent***"). Except as otherwise provided herein, all payments of Additional Rent shall be due within thirty (30) days after Lessee's receipt of Lessor's written demand therefor. At Lessor's request, as Additional Rent in-kind and at no charge Lessee shall provide up to thirty-one (31) beds for student advisors, resident directors, resident assistants, or resident managers, as the case may be, provided that the obligation to provide such rooms shall be deemed Additional Rent in an amount equal to the costs otherwise chargeable for such rooms.

2.7 Rent and Other Sums Payable to Lessor. The Initial Payment and all payments of Base Rent, Percentage Rent, the System Fee, or Additional Rent required hereunder shall be paid in lawful currency of the United States of America, at the address shown in Article 28 of this Ground Lease or to such other person or entity or at such other place as Lessor may from time-to-time direct by notice to Lessee.

2.8 Subordination of Base Rent, Percentage Rent and Additional Rent. Lessor agrees that its right to the payment of Base Rent, Percentage Rent and the Additional Rent (but not its right to the Initial Payment or System Fee) shall be subordinated to such payments as are designated in the Bond Documents and shall be subject to all other restrictions and conditions of the Bond Documents, and the failure to make such payment when the same becomes due as a result of such subordination, restrictions or conditions shall not constitute an Event of Default (as such term is defined below in Section 20.1) hereunder. Any Base Rent, Percentage Rent or Additional Rent (but not the Initial Payment or System Fee) which is not paid as a result of such subordination, restrictions or conditions shall remain due and owing and shall be paid to Lessor (with interest thereon as provided in Article 7) prior to the distribution, if any, to Lessee of its share of any Net Available Cash Flow.

2.9 Net Lease. This Ground Lease is a net lease and, except as otherwise specifically provided herein, Lessee shall pay all Rent, and all other sums which are required to be paid in connection with the ownership, occupancy, use or leasing of the Premises, as the same shall become due, without notice or demand and without offset, counterclaim or defense, and under no

circumstance shall Lessor be required to make any payment of any kind whatsoever or be under any other obligation or liability hereunder, except as explicitly set forth in this Ground Lease.

2.10 Audit and Inspections. All payments of Percentage Rent, if any, shall be accompanied by a statement, certified by an authorized officer of Lessee, showing the sources and uses of Gross Revenues and the Net Available Cash Flow for such Lease Year. Lessee agrees that it will keep in its principal accounting office true and accurate books and records relating to the Student Housing Facilities and Improvements, and that Lessor and its duly authorized agents may, from time-to-time and at reasonable times during Lessee's business hours, upon at least seven (7) days written notice to Lessee, examine and audit such records for the purpose of verifying the aforesaid statements submitted by Lessee to Lessor and for any other proper purpose hereunder. If Lessee's statement of Net Available Cash Flow is understated and Percentage Rent is due, Lessee shall pay with interest as provided herein, the full understated amount of Percentage Rent due Lessor. In addition, if Lessee's statement of Net Available Cash Flow is understated by more than three percent (3%) and Percentage Rent is due, Lessee shall pay all reasonable costs associated with the audit and Lessee shall pay the full understated amount of Percentage Rent. If Lessee pays the additional Percentage Rent and, if applicable, audit costs within thirty (30) days after Lessor's audit, Lessee's underpayment shall not constitute an Event of Default. All costs to prepare audits and other financial information pertaining to the Student Housing Facilities shall be paid from Gross Revenue; *provided, however*, that in the event that Lessor is not the manager of the Student Housing Facilities under the Management Agreement (as such term is defined in Section 11.2 herein), and the amount of the Net Available Cash Flow is understated by more than three percent (3%) and Lessee is obliged to pay for the reasonable costs of such audit (as stated above), the source of payment of such reasonable costs shall be borne by Lessee out of Lessee's portion of Net Available Cash Flow.

ARTICLE 3
Representations and Warranties of Lessor and Lessee

3.1 Lessor's Representations. Lessor represents and warrants to Lessee as follows:

(a) Organization; Power and Authority. Lessor is a public corporation and government instrumentality duly organized and presently subsisting under the laws of the Commonwealth of Pennsylvania. Lessor has the power and authority to execute and deliver this Ground Lease and to perform its obligations hereunder, and all such actions have been authorized by all necessary corporate proceedings on its part.

(b) Execution and Binding Effect. This Ground Lease has been duly and validly executed and delivered by Lessor, has been reviewed and approved by the Office of the General Counsel and the Office of the Attorney General of the Commonwealth of Pennsylvania and constitutes a legal, valid and binding obligation of Lessor enforceable against Lessor in accordance with its terms, except to the extent such enforceability is limited by bankruptcy and other similar laws affecting creditors' rights generally.

(c) Title. Lessor represents and warrants that the Commonwealth of Pennsylvania (the "***Commonwealth***") owns good and marketable fee simple title to the Property. Lessor further represents and warrants that Lessor has occupancy, custody and control of the Property pursuant to the Interagency Agreement, subject to the following: (i) rights of parties in possession, liens, encumbrances, easements, covenants, restrictions and other matters of record (collectively, "***Permitted Encumbrances***"); (ii) any facts which an accurate survey or physical inspection of the Property might show; or (iii) all laws (including common laws), statutes, rules, regulations, ordinances, codes, orders, writs, judgments, injunctions, decrees, guidelines, directives or decisions of any Governmental Person (as such term is defined below in Section 4.1), whether now or hereafter existing, as any of the same may be amended (collectively, "***Governmental Rules***").

3.2 Lessee's Representations. Lessee represents and warrants to Lessor as follows:

(a) Organization; Power and Authority. Lessee is a limited liability company duly organized and presently subsisting under the laws of the Commonwealth of Pennsylvania. Lessee has the power and authority to execute and deliver this Ground Lease and to perform its obligations hereunder, and all such actions have been authorized by all necessary corporate proceedings on its part.

(b) Execution and Binding Effect. This Ground Lease has been duly and validly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms, except to the extent enforceability is limited by bankruptcy and other similar laws generally affecting creditors' rights.

ARTICLE 4
Taxes and Assessments

4.1 Payment of Taxes and Assessments. Although Lessee believes that the Property is exempt from real estate taxes, if the Property is deemed by the applicable taxing authority to be subject to taxes during the Term, pursuant to the provisions of Section 4.2 below, Lessee shall pay as Additional Rent any Real Estate Charges (as such term is defined below) levied, assessed or imposed at any time by any Governmental Person (as such term is defined below) upon or against this Ground Lease or Lessee's interest in this Ground Lease, any of the Premises, Improvements or any fixtures or personal property of Lessee's located thereon. As used herein, the term "***Real Estate Charges***" shall collectively mean: (i) all taxes, assessments, levies, charges for licenses, permits and easements necessary for the ownership, occupancy or use of the Premises or maintained for the benefit of the Premises and all other charges, whether general or special, levied, assessed or imposed at any time by any Governmental Person upon or against any of the Premises, this Ground Lease, Lessor (to the extent that the same arises out of Lessor's ownership, use or leasing of the Property) or Lessee (to the extent that the same arises out of Lessee's occupancy, use or leasing of the Property) or payments in lieu thereof; (ii) any tax, assessment or fee levied, assessed or imposed at any time by any Governmental Person relating to Lessee's operations or property in the Premises or in connection with the receipt of income or rents from the Premises to the extent that the same shall be in lieu of (and/or in lieu of an increase in) all or a portion of any of the items specified in clause (i) above; (iii) any gross receipts tax, ad valorem tax, capital stock or franchise tax, business privilege tax, sales tax,

parking tax, value added tax or personal property tax relating to Lessee's use or occupancy of the Premises or operations therein or rents payable under this Ground Lease, and any similar taxes not presently in effect which may hereafter be assessed and levied by any Governmental Person against the Premises; and (iv) any real estate transfer tax. Notwithstanding the foregoing, the term "***Real Estate Charges***" shall not include any of Lessor's federal or state income taxes, if any. All of such Real Estate Charges shall be paid promptly by Lessee, prior to the date when any interest or penalties accrue thereon. If Lessee shall pay such charges directly it shall promptly provide Lessor with evidence of such payment. Lessee shall only pay Real Estate Charges imposed for tax years (or the pro rata portion thereof for partial tax years) during the term of this Ground Lease. As used herein, the term "***Governmental Person***" shall mean any governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, agency, bureau, body or entity of the United States of America or of any state, county, municipality or other political subdivision located therein.

4.2 Contest of Tax. If the imposition of any Real Estate Charge shall be deemed by Lessee to be improper, illegal or excessive, Lessee may, in its own name and at its own expense, dispute and in good faith contest the same and, in such event and to the extent permitted by law, any such Real Estate Charge need not be paid until adjudged to be valid; *provided, however*, Lessee shall first notify Lessor in writing of such dispute and good faith contest and shall comply with the requirements of any Leasehold Mortgage and related documents concerning the contest of taxes. Unless so contested in good faith, any Real Estate Charge shall be paid by Lessee within the time provided by law, and if contested, any such Real Estate Charge shall be paid before the issuance of an execution on a final judgment with respect thereto. At no expense to Lessor, Lessor agrees to reasonably cooperate with Lessee in any such dispute and good faith contest.

ARTICLE 5
Utility Services

5.1 Lessee Provision of Utilities. Except as otherwise provided in Article 31 herein, Lessee shall be solely responsible for and pay all of its own costs and expenses relating to the installation, maintenance and use of all utilities required, used or consumed on the Premises, including, without limitation, gas, water (including water for domestic uses and for fire protection), telephone, electricity, cable TV, sewer service, garbage collection services, or any similar services (collectively, "***Utility Services***"), including, without limitation, the costs of bringing and maintaining any Utility Services to the Property or Improvements and for any metering thereof. Lessor shall provide to Lessee, or shall permit Lessee to connect to Lessor's infrastructure for the following Utility Services: electricity, steam, chilled water, data, cable and telecommunications. To the extent that Lessor provides to Lessee the Utility Services, Lessor shall separately meter or otherwise monitor the consumption of such Utility Services at the Property and shall submit monthly invoices to Lessee for the cost of such Utility Services (collectively, ***"Lessor's Utility Charges"***). The payments due by Lessee for Lessor's Utility Charges shall be due and payable within thirty (30) days of presentation of invoices therefor and shall be entirely separate from any amounts owing by Lessee to Lessor for any management fees and other services which Lessor provides and shall not constitute Additional Rent. Lessee covenants and agrees to promptly pay all charges for Utility Services extended to Lessee by all other parties. Lessee hereby acknowledges and agrees that Lessor shall not be liable for the interruption of Utility Services.

5.2 Reservation and Grant of Rights. The parties hereto acknowledge that a variety of lines for Utility Services may access or cross the Property to service other portions of the Campus. As a result, to the extent Lessor, or any other provider of such Utility Service, does not already have such right pursuant to an easement, right-of-way or license agreement, Lessor reserves the right for its employees, agents and contractors to go upon the Premises to construct, maintain, operate, repair and replace such lines and facilities for Utility Services as Lessor may deem to be necessary or convenient, provided that any damage to the Premises caused by such construction, maintenance, operation, repair or replacement shall be restored by Lessor to the same condition as existed prior to such damage. In addition, during the term of this Ground Lease, Lessor or Lessee may grant such additional licenses with respect to the Property (which licenses may be recorded at Lessee's own cost and expense) as may be reasonably required by Lessee or any provider of Utility Services to obtain such Utility Services or to tie into existing lines for Utility Services so long as the same do not adversely affect the rights of, or Utility Services received by, Lessor. Lessee shall pay the costs to record any such additional licenses. Similarly, Lessor may, but shall not be required to, subcontract with Lessee to provide or share certain Utility Services, in which event Lessee agrees to pay, or to reimburse Lessor, for the cost of the work required in connection therewith. If at any time during the term of this Ground Lease, Lessor elects not to provide any Utility Services directly to Lessee, Lessor shall cooperate with Lessee to obtain or grant the necessary licenses to permit Lessee to obtain replacement Utility Services for the Premises, without material disruption to the residents of the Student Housing Facilities. All costs to obtain replacement Utility Services shall be paid by Lessee.

ARTICLE 6
Lessor's Right to Perform

If Lessee shall fail to perform any of Lessee's obligations hereunder within the time specified for such performance herein (after giving notice to any Leasehold Mortgagee (as such term is defined in Article 19) as set forth in Article 19 and the expiration of any cure period applicable to Leasehold Mortgagees under Article 19), Lessor shall have the right, but not the obligation, to perform any such obligation, and Lessee shall pay to Lessor, as Additional Rent, all costs and expenses incurred by Lessor in rendering such performance immediately upon, and in no event later than five (5) days after Lessor's demand therefor; *provided, however*, that Lessor shall have the right, but no obligation, to perform any such obligation of Lessee without notice or opportunity to cure in the event of an emergency. No such performance by Lessor shall constitute a cure or waiver of any Event of Default occasioned by Lessee's such non-performance.

ARTICLE 7
Interest On Unpaid Amounts

Any sums which are payable by Lessee to Lessor under this Ground Lease (including, without limitation, Rent, Real Estate Charges and Lessor's Utility Charges) and which are not paid to Lessor when due shall bear interest at the prime interest rate published from time-to-time in the "Consumer Rates" section of the "Interest Rates & Bonds" section (as the same may from time-to-time be renamed) of The Wall Street Journal, plus three percent (3%) per annum, from the due date thereof through the date payment of the same is made. If it becomes necessary for

Lessor to bring suit for collection of any sum(s) herein stipulated to be paid by Lessee, Lessee shall pay any and all such reasonable expenses and costs as Lessor may incur, including, without limitation, reasonable attorneys' fees actually incurred or reasonably determined to be the cost of legal services supplied by salaried employees of Lessor, or others.

ARTICLE 8
Compliance With Law And Ordinances

8.1 Compliance with Laws. At all times during the term of this Ground Lease, Lessee, at its own cost and expense, shall: (i) conform to, obey and comply in all material respects with all applicable Governmental Rules, and (ii) obtain, maintain and comply with all licenses and permits issued by any Governmental Person which are necessary in connection with the ownership, occupancy or use of the Premises.

8.2 Contests and Appeals. Lessee, in its own name and at its own cost and expense, shall have the right to contest, appeal or otherwise challenge in good faith the validity of any Governmental Rule relating to the Premises (or any portion thereof), but only if and so long as any such good faith contest, challenge or appeal shall not, in the reasonable opinion of Lessor, involve: (i) any risk of criminal or civil liability being imposed on Lessor; or (ii) any risk of (a) foreclosure, forfeiture or loss of the Premises, or any part thereof, (b) the nonpayment of Rent, (c) the sale of, or the creation of any lien or encumbrance (other than Permitted Encumbrances) on, any part of the Premises, or (d) enjoinment of, or interference with, the use, possession or disposition of the Premises. At no expense to Lessor, Lessor agrees to reasonably cooperate with Lessee in any such good faith contest or appeal.

ARTICLE 9
Condition; Quiet Enjoyment

9.1 Condition. LESSOR LEASES AND LESSEE TAKES THE PREMISES "AS IS." EXCEPT AS EXPRESSLY SET FORTH IN THIS GROUND LEASE, LESSEE ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LESSOR BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR ANY PARTICULAR USE OR PURPOSE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN ANY OF THE PREMISES OF ANY NATURE, WHETHER LATENT OR PATENT, LESSOR SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO OR FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY LESSOR, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, ARISING PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT.

9.2 Quiet Enjoyment. Lessor covenants and agrees that, throughout the term of this Ground Lease, Lessee may peaceably and quietly enjoy the Property subject, however, to the Permitted Encumbrances, and Lessee's fulfillment of the covenants and agreements contained in this Ground Lease.

9.3 Service Agreement. Nothing hereunder shall impair the rights and obligations of the parties in their respective capacities as set forth in that certain Service Agreement, dated of even date herewith, by and between Lessor and Lessee.

ARTICLE 10
Financing and Construction of the Improvements

10.1 Financing. Lessee shall at its own cost and expense obtain all financing required for the design, development, and construction of the Student Housing Facilities and any other Improvements. Lessee agrees to provide Lessor with copies of all information and documentation relating to any form of proposed financing. Lessee agrees that all financing relating to the design, construction and operation of the Student Housing Facilities and any other Improvements, or any amendment, renewal, refinancing or refunding of same during the term of this Ground Lease shall only be financed by an Approved Loan (as such term is defined in below in Article 19), subject to a Leasehold Mortgage (as such term is defined in below in Article 19) solely as permitted in accordance with Article 19 hereof.

10.2 Construction of Improvements.

(a) Lessee shall design, develop, and construct, or cause to be designed, developed and constructed, the Student Housing Facilities on the Property in a manner consistent with **Exhibit "A-2"**, at its own cost and expense and shall furnish all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the construction of the Student Housing Facilities. Lessor acknowledges that Lessee shall enter into one or more contracts (collectively, "***Developer Contracts***") with a developer ("***Developer***"), and Lessee acknowledges that notwithstanding the Developer Contracts Lessee shall remain responsible for satisfying its obligations under this Ground Lease and liable for any failures with respect to its obligations under this Ground Lease.

(b) Lessee shall apply for and obtain, or cause to be applied for and obtained, in either instance, at its own cost and expense, all permits, licenses, and approvals necessary or desirable in connection with the Improvements, including without limitation such approvals as may be necessary for any demolition contemplated by the Improvements.

(c) Lessee shall construct, build, and complete the Improvements, or shall cause the Improvements to be constructed, built and completed, in a good and workmanlike manner in accordance with this Ground Lease, the Plans and Specifications (as defined below in Section 10.3) approved by Lessor, the Contract Documents (as such term is defined below in Section 10.3) approved by Lessor, and all other documents executed pursuant hereto and thereto.

(d) Lessee shall comply, and cause its contractors and subcontractors to comply, in all material respects with all applicable Governmental Rules, including, without limitation, the Americans With Disabilities Act. Regardless of whether or not Lessee would otherwise be required to comply therewith, Lessee covenants and agrees to pay such prevailing wage rates with respect to the Improvements as would be required under the Pennsylvania Prevailing Wage Act, to comply with the Steel Products Procurement Act, and to cause all contractors and subcontractors to do the same, and from time-to-time at the request of Lessor to provide such confirmation thereof as Lessor may reasonably request.

10.3 Pre-Construction Activities and Approvals. Prior to commencing any excavation, demolition, construction, paving or any other work associated with the Property or the Improvements, Lessee shall deliver to Lessor for its approval, which shall not be unreasonably withheld: (i) the proposed form of the Developer Contracts and any development, construction, design or similar agreements to be executed by Lessee or a Developer in connection herewith (collectively, "***Contract Documents***"), which shall require the payment of prevailing wage rates and compliance with the Steel Products Procurement Act as more specifically set forth in Section 10.2 hereof; (ii) all proposed plans and specifications for the Improvements, including, without limitation, those items listed on Schedule 1 attached hereto and made a part hereof, which Lessor has approved (collectively, the "***Plans and Specifications***"); and (iii) the proposed construction schedule (the "***Schedule of Performance***"). Lessor shall have a period of five (5) business days after receipt of any of the foregoing to approve or reject subsequent submissions, with any rejection being accompanied by a description of measures to be taken by Lessee that will result in approval on resubmission (or why resubmission of any similar proposal would be rejected), but Lessor shall seek to review such submissions and to respond promptly. Failure to approve or reject any submissions within such five (5) business day period shall be deemed approval by Lessor. Approval of submissions by Lessor shall not relieve Lessee from the obligation to obtain all other necessary approvals and permits required by any Governmental Person or from complying in all material respects with the Plans and Specifications and all Governmental Rules. Lessor's approval is for Lessor's benefit only and does not constitute a warranty or certification thereof.

10.4 Change Orders. Once the Plans and Specifications are submitted to and approved by Lessor or the Plans and Specifications are approved in accordance with Section 10.3, Lessee shall not order, authorize or perform any material change, substitute work or materials in prosecuting the construction of the Improvements which result in either: (i) an increase in the Guaranteed Cost (as such term is defined in the Developer Contracts); or (ii) which would result in a delay in substantial completion (as such term is defined in Section 10.18 below) of the Improvements (each, a "***Change Order***"), without Lessor's prior written approval, which approval shall not be unreasonably withheld. Lessor shall have a period of five (5) business days after receipt of a written Change Order to approve or reject a requested Change Order; *provided, however*, that if Lessor fails to approve or reject such Change Order within such time period, such Change Order shall be deemed to have been rejected. Within five (5) business days after the approval of a Change Order, Lessee shall provide Citizens Bank of Pennsylvania, or any other Credit Provider (as such term is defined in the Bond Documents) for the Bonds, with written notice of each such Change Order, such written notice to include both the date and the amount of the Change Order, and a brief identification of the genesis of the Change Order.

10.5 Coordination of Construction Activities. To the extent reasonably possible, development and construction of the Improvements shall be done so as to minimize disruption of Lessor's operations and the operation of the Campus. Lessor shall designate one or more individuals to serve as its representatives in connection with the construction of the Improvements (each, a "***Lessor Representative***"), who shall have authority to act on Lessor's behalf in connection with the matters contemplated in this Article 10. All construction activities must be coordinated with the appropriate Lessor Representative. A mandatory pre-construction meeting shall be conducted by Lessee no less than five (5) days prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the site and construction coordination issues. The meeting shall be attended, at a minimum, by each Lessor Representative, Lessee, Developer and Developer's contractor, project manager and superintendent. Lessor reserves the right to monitor Lessee's construction of the Improvements, from its inception to its completion, including participation in all construction meetings contemplated by the Contract Documents. At a minimum, and without limiting Lessor's right to impose such additional restrictions as Lessor reasonably deems necessary or appropriate, the following restrictions shall be placed upon construction activities, and Lessee will provide for the incorporation of these restrictions in the Contract Documents and shall enforce such restrictions on behalf of Lessor:

(a) Access to the construction site will be exclusively limited to those involved with the work;

(b) For construction activities requiring access to Lessor's drives and parking areas, access will be restricted to those times reasonably approved by Lessor in writing;

(c) Construction activities must not unreasonably interfere with entry or exit to the Campus, the Campus parking or drives, or pedestrian circulation paths or walks without the prior written consent of Lessor;

(d) Lessee must notify Lessor in writing at least seventy-two (72) hours in advance when coordination meetings requiring participation of Lessor's Representative, or upon such shorter notice as may be reasonably required in the event of an emergency;

(e) Lessee will provide a six (6) foot high chain link security fence (which shall not contain razor or barbed wire) and which otherwise complies with all applicable Governmental Rules, with lockable gates at the perimeter of the construction site and staging area;

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

(g) Campus toilet facilities, parking areas and student dining facilities may not be used by construction personnel. Adequate portable toilet facilities meeting all requirements of all applicable Governmental Rules, shall be supplied and maintained by Lessee's contractors;

(h) Signage, which shall be subject to Lessor's prior approval and shall otherwise comply with all Governmental Rules, shall be provided and maintained at all entrances to the Campus to direct deliveries, construction personnel, etc. to the construction site;

(i) Lessee and Lessee's contractors shall not bury or burn construction debris on the Premises or on any other portion of the Campus, and shall dispose of all such items in accordance with all applicable Governmental Rules; and

(j) Lessor shall have the right to have one or more of Lessor's Representatives present during construction and/or to conduct an inspection of the Improvements. If at any time any of Lessor's Representatives develop a concern regarding health, safety, or other matters with respect to the construction of the Improvements, then Lessor may direct that the construction be immediately stopped pending correction of the conditions giving rise to such risk. If at any time any of Lessor's Representatives develop a concern that the construction is not being performed in compliance with this Ground Lease or applicable Governmental Rules and such concern is brought to the attention of Lessee, then Lessee shall promptly cause its architect or other appropriate professional to investigate such matter and promptly report back to Lessor and Lessee, but in all events within five (5) days of such concerns having been brought to the attention of Lessee.

10.6 Default in Construction. In the event of a material default by any party to a Contract Document other than Lessee, Lessee shall promptly notify Lessor and the Credit Provider thereof in writing, but in all events within five (5) days thereof, and Lessee shall exercise all of the rights and remedies available to Lessee under such Contract Document in consultation with Lessor. Upon the occurrence of an event of a default by Lessee under any Contract Document, Lessor may upon not less than five (5) days prior written notice to a Credit Provider, but shall not be obligated to, exercise all of the rights of Lessee under such Contract Document, and Lessor shall have no liability to Lessee or any contractor or sub-contractor in connection with the exercise of such rights. Lessee shall cause the provisions of this Section 10.6 to be included in the Contract Documents.

10.7 License for Storm Water Management System.

(a) Lessor shall, and by the execution of this Ground Lease hereby does, grant and convey to Lessee, a license (the "***Stormwater License***") for the purpose of constructing, repairing, maintaining, and using a stormwater management system (the "***Stormwater Management System***") on that portion of the Campus located in the Borough of West Chester, Chester County, Pennsylvania, as depicted on **Exhibit "B-4"** (the "***Stormwater License Area***"). The Stormwater Management System shall be constructed for the purpose of diverting all stormwater associated with the Student Housing Facilities and shall consist of a surface and sub-surface centralized infiltration area in combination with a constructed treatment wetlands. Lessee's construction of the Stormwater Management System shall be and is subject to the design, pre-construction activities and approvals as provided in this Article 10. Lessee shall maintain and repair, or cause to be maintained and repaired, the Stormwater Management System at its expense and in compliance with all applicable laws and municipal agreements. Lessee shall exercise its rights under the Stormwater License in a manner which: (i) does not unreasonably interfere with the rights of Lessor and others to use the land burdened by such Stormwater License for purposes which are not inconsistent with the purpose of such license; (ii) does not materially detract from the appearance or value of the land burdened by such Stormwater License; and (iii) complies with all laws, statutes, rules, regulations, codes,

ordinances and orders of each governmental authority having jurisdiction over the land burdened by such Stormwater License.

(b) Lessor's grant of the Stormwater License shall be non-exclusive to Lessee and shall continue for a term equal to the term of this Ground Lease. The Stormwater License shall expire, without any further action taken by Lessor, at the expiration of this Ground Lease. Lessor, furthermore, reserves unto itself the right to divert stormwater for future development of the Campus, provided that Lessor shall notify Lessee of any increase in usage of the Stormwater Management System and shall bear the cost of any improvements or alterations to the Stormwater Management System that are caused or required by such increase in usage.

10.8 License for Geothermal Field.

(a) Lessor shall, and by the execution of this Ground Lease hereby does, grant and convey to Lessee, a license (the "**Geothermal Field License**") for the purpose of constructing, repairing and using a pump facility and a system of geothermal well fields (the "**Geothermal Field**") to be located on the Campus located in the Borough of West Chester, Chester County, Pennsylvania (the "**Geothermal Field License Area**"). The Geothermal Field shall be constructed for the purpose of providing heating and cooling (HVAC) service to the Student Housing Facilities and other portions of the Campus.

(b) Lessee will construct the Geothermal Field in accordance with the existing, approved plans, as such were approved by the Borough of West Chester, and in such location as shown as depicted on **Exhibit "B-5"**; *provided, however*, that either in addition to or in lieu of the Geothermal Field to be built in accordance with the existing, approved plans as approved by the Borough of West Chester, Lessee shall be permitted to construct, and Lessee shall timely process change order(s) under the development agreement permitting the same, the Geothermal Field consistent with the proposed concept plan attached as **Exhibit "B-6"**, in the Township of West Goshen upon the occurrence of:

(i) Lessor, at its cost, prosecutes and obtains final approval of an amended land development plan that allows for the construction of the Geothermal Field in accordance with **Exhibit "B-6"**, as well as all necessary permits and approvals for all plans regarding the Geothermal Field on the south side of Rosedale Avenue in accordance with **Exhibit "B-6"** (such approvals, collectively, the "**Geothermal Field Approvals**"); and

(ii) in the event that the Geothermal Field depicted on **Exhibit "B-5"** is not constructed, the Geothermal Field Approvals are obtained on or before the date which would permit students of Lessor to occupy the Student Housing Facilities no later than the expected occupancy date of August 10, 2009.

(c) In addition to costs identified in Section 10(b)(i) set forth above, in the event that the Geothermal Field is built consistent with the proposed concept plan attached as **Exhibit "B-6"**, Lessor shall be responsible for all reasonable costs and expenses incurred by Lessee in connection with construction of the Geothermal Field which are in excess of those contemplated for construction of the Geothermal Field pursuant to the Phase 1 plans; *provided, however*, that in the event that the Geothermal Field Approvals are not obtained by the date set forth above in Section 10(b)(ii), Lessee shall construct the Geothermal Field pursuant to and in

accordance with the existing, approved plans, as such were approved by the Borough of West Chester plans or pursuant to such other plan which would permit students of Lessor to occupy the Student Housing Facilities no later than the expected occupancy date of August 10, 2009.

(d) Lessee's construction of the Geothermal Field shall be and is subject to the design, pre-construction activities and approvals as provided in this Article 10. Lessor shall maintain and repair, or cause to be maintained and repaired, the Geothermal Field at its expense and in compliance with all applicable laws and municipal agreements. Lessee shall exercise its rights under the Geothermal Field License in a manner which: (i) does not unreasonably interfere with the rights of Lessor and others to use the land burdened by such Geothermal Field License for purposes which are not inconsistent with the purpose of such license; (ii) does not materially detract from the appearance or value of the land burdened by such Geothermal Field License; and (iii) complies with all laws, statutes, rules, regulations, codes, ordinances and orders of each governmental authority having jurisdiction over the land burdened by such Geothermal Field License.

(e) Lessor's grant of the Geothermal Field License shall be non-exclusive to Lessee and shall continue for a term equal to the term of this Ground Lease. The Geothermal Field License shall expire, without any further action taken by Lessor, at the expiration of this Ground Lease. Lessor, furthermore, reserves unto itself the right to divert heating and cooling capacity from the Geothermal Field for future development of the Campus, provided that Lessor shall notify Lessee of any increase in usage of the Geothermal Field and shall bear the cost of any improvements or alterations to the Geothermal Field that are caused or required by such increase in usage.

10.9 Lien Waivers.

(a) Lessee shall cause each contractor, on behalf of each "subcontractor" (as such term is defined in the Pennsylvania Mechanics Lien Law of 1963, as the same has been and may from time-to-time in the future be amended (the "***Mechanics Lien Law***"), which definition includes, without limitation, sub-subcontractors), to execute (with all signatures duly acknowledged before a notary public) appropriate "Waiver of Liens Stipulation by Contractor" in the recordable form of **Exhibit "C-1"** hereto, which shall be filed in the Prothonotary's Office of Chester County, Pennsylvania not less than ten (10) days prior to commencement of any work on the Property or with respect to the Improvements, waiving in advance the rights of all subcontractors, suppliers and materialmen to file a mechanic's lien against the Improvements, the Property or any other property of Lessor or Lessee, to the full extent permitted by the Mechanics Lien Law.

(b) At such time as Lessee may from time-to-time direct, but in no event later than the date such subcontractor (as defined below) commences work pursuant to its particular subcontract, Lessee shall cause or cause each contractor to cause each "subcontractor" (as such term is defined in the Mechanics Lien Law), to execute (with all signatures duly acknowledged before a notary public) appropriate "Waiver of Liens Stipulation by Subcontractor" in the recordable form of **Exhibit "C-2"** hereto, which at the election of Lessor may be filed in the Prothonotary's Office of Chester County, Pennsylvania, waiving in advance the rights of such subcontractors, suppliers and materialmen to file a mechanic's lien against the Improvements,

the Property or any other property of Lessor or Lessee, to the full extent permitted by the Mechanics Lien Law.

(c) Lessee shall cause each "contractor" (as such term is defined in the Mechanics Lien Law) and each such subcontractor to execute, acknowledge, and deliver to Lessor a final lien release and waiver simultaneously with such contractor's or subcontractor's receipt of the final installment of its compensation. Lessee shall also cause each contractor, subcontractor, supplier and materialmen to execute progress lien releases and waivers upon receipt of each progress payment in the form attached hereto as **Exhibit "C-3"**. Upon request from time-to-time, Lessee shall cause each contractor to obtain and deliver to Lessor fully executed and acknowledged lien releases and waivers from subcontractors.

(d) NOTICE IS HEREBY GIVEN THAT LESSOR SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIAL FURNISHED OR TO BE FURNISHED TO LESSEE OR TO ANYONE HOLDING ANY OF THE PREMISES THROUGH OR UNDER LESSEE, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LESSOR IN AND TO ANY OF THE PREMISES. Lessee shall cause the foregoing notice to be prominently included in each of the Contract Documents in all capital letters with no less than a twelve (12) point font.

(e) Lessee shall discharge or cause to be discharged of record by bond or otherwise, within twenty (20) days following the date whereupon Lessee receives actual knowledge of the filing, of any mechanics or similar lien filed against the Premises for work or materials claimed to have been furnished at Lessee's request to or for the benefit of Lessee and/or the Premises. If Lessee shall fail to cause such lien or claim or lien to be so discharged or bonded within such period, in addition to any other right or remedy Lessor may have, Lessor may, but shall not be obligated to, discharge such lien or claim or lien by procuring the discharge of such lien or claim or lien by the deposit in a court or by bonding, and, in any event, Lessor shall be entitled, if Lessor so elects, to compel the prosecution of any action for the foreclosure of such lien or claim by the lienor claimant and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Lessee shall be liable to Lessor, on demand and from time-to-time, for any sum or sums so paid by or on behalf of Lessor and all costs or expenses incurred by Lessor, including, without limitation, reasonable attorneys' fees actually incurred in prosecuting such discharge or in defending any such action, all of which shall constitute Additional Rent. Lessee agrees to provide Lessor with written notice of any lien filed against the Premises promptly following Lessee's obtaining actual knowledge of such lien. All lien waivers required pursuant to subsections (a) and (b) of this Section 10.9 shall not be dated as of a date that is prior to the date of such contractor's or subcontractor's contract or prior to the effective date of the Payment and Performance Bonds required by Section 10.16 hereof.

10.10 Payment of Bills for Construction. Lessee hereby covenants and agrees to pay, currently as they become due and payable in accordance with the terms of the Contract Documents, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, contractors, and subcontractors and all other costs and expenses incident to any construction in or on the Improvements; *provided, however*, that subject to Section 10.6 hereof, Lessee may, in good faith, in its own name and at its own cost and expense dispute and contest any such bill, fee, cost or expense and, in such event, any such item need not be paid until

adjudged to be valid. Unless so contested by Lessee, all such items shall be paid by Lessee within the time provided by law and, if so contested, any such item shall be paid before the issuance of an execution on a judgment with respect thereto. Within fifteen (15) days of receipt thereof, Lessee agrees to provide Lessor with copies of each application for payment submitted by its general contractor and each certificate of payment issued by its architect prior to payment thereof.

10.11 All Liens and Rights are Subordinate to Lessor. Lessee's rights, as well as the rights of anyone else, including, without limitation, any mortgagee, architect, independent contractor, assignee, sublessee, subcontractor, prime or general contractor, mechanic, laborer, materialman or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to Lessor's and the Commonwealth's right, title, interest and estate in the Property.

10.12 Completion of Construction By Lessor. Lessor acknowledges that Lessee may assign all of Lessee's right, title, interest and remedies in and to the Contract Documents in connection with the issuance of the Bonds. Lessee covenants and agrees that in the event: (i) Lessee abandons or fails to complete the Improvements in accordance with all material requirements of this Ground Lease; (ii) such failure is not solely the result of Lessor's being in material default under this Ground Lease; and (iii) the Leasehold Mortgagee, if any, does not elect to complete the Improvements pursuant to the terms of any assignment or elects to assign to Lessor the right to complete the Improvements, then Lessor may, at its option, after expiration of all applicable cure periods available to the Leasehold Mortgagee (but without any obligation to do so and without prejudice to any other rights Lessor may have under this Ground Lease), complete the Improvements (to the extent permitted by relevant agreements as an expense to be paid out of the proceeds of the Bonds) and, as nearly as practicable and proper, according to the Plans and Specifications. Lessee shall cooperate with Lessor to do such things as are necessary to assign to Lessor the right to complete the Improvements and the benefit of any agreements to which Lessee is a party relating to or affecting the Student Housing Facilities, including, without limitation, the Contract Documents.

10.13 Title to the Improvements. Subject to the rights of Lessor under Section 21.1 and Article 26 hereof, title to all Improvements now or hereafter located on the Property, including those to be constructed in accordance with the Plans and Specifications and Contract Documents, shall be vested in Lessee until either the earlier of the termination or expiration of this Ground Lease, at which time all title to and ownership of such Improvements shall automatically and immediately vest (without the necessity of any further action being taken by Lessee or Lessor or any instrument being executed and delivered by Lessee to Lessor, or any instrument to be filed of public record) in the Commonwealth, subject to the rights of Lessor under the Interagency Agreement.

10.14 Architect, Engineers, Contractors, Specialists and Consultants. Lessee shall require any architects, engineers, contractors, subcontractors, specialists and consultants engaged in connection with the construction of the Improvements to perform their respective obligations under the terms of the Contract Documents, to be licensed in accordance with all applicable Pennsylvania, federal and local law and shall cause any architects, engineers, specialists and consultants to obtain and maintain errors and omissions insurance pursuant to Section 17.6 herein. Lessee shall cause the provisions of this Section 10.14 to be included in the Contract Documents.

10.15 Construction Site. Lessee shall confine its operations to the Property and will not store any material or equipment on property of Lessor outside the boundaries of the Property, except either pursuant to a license or as previously approved in writing by Lessor and subject to such conditions as may be specified and approved by Lessor. Lessee shall protect all work and shall at all times keep and cause its contractors to keep the construction site (and staging area) reasonably clean and free from waste materials and rubbish in accordance with generally recognized standards therefor.

10.16 Security for Performance. Lessee shall provide, or cause to be provided, to Lessor payment and performance bonds in form and substance satisfactory to Lessor from a surety rated "A" or better by the A.M. Best Company, or otherwise approved by Lessor in writing. Such bonds shall guaranty payment and performance of the obligations to complete the Improvements in accordance with the terms hereof, as the same may be expressed in any development agreement or Contract Documents. Lessee shall also provide, or cause to be provided, to Lessor payment and performance bonds supplied by such subcontractors as Lessor shall determine. The bonds shall be dual obligee surety bonds payable and in favor of Lessee as Obligee and Lessor and Leasehold Mortgagee and the Trustee (as such term is defined in the Bond Documents) and Credit Provider, if any, as Additional Obligees, as their respective interest may appear and shall specifically provide that a default by Lessee hereunder or under any development agreement or Contract Documents shall not invalidate or discharge the duty of the insurer to comply with the terms of such bonds. The payment and performance bonds shall be delivered upon execution of this Ground Lease and shall have an effective date that is not later than the date of this Ground Lease.

10.17 Reports and Information. From time-to-time, but in all events no less than every thirty (30) days, Lessee shall provide Lessor and the Credit Provider with copies of all material documents and correspondence provided to or generated by Lessee in connection with the performance of the Contract Documents, including those related to the satisfaction of the items in the Schedule of Performance, and shall provide Lessor and the Credit Provider with monthly progress reports in a form reasonably satisfactory to Lessor demonstrating compliance with the construction requirements of the Plans and Specifications and the Contract Documents and this Ground Lease for the previous month, including, without limitation, such information deemed necessary by Lessor regarding the payment of prevailing wages and compliance with the Steel Products Procurement Act. In addition, the Schedule of Performance shall be updated at least monthly to assure Lessor that construction of the Improvements will be complete in sufficient time to allow for occupancy of the Student Housing Facilities on or before August 10, 2009. Lessee shall deliver or cause to be delivered to Lessor and the Credit Provider copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies and other similar written materials prepared for Lessee pursuant to the Contract Documents with respect to the Improvements within ten (10) days after receipt by Lessee.

10.18 Substantial Completion of Improvements. As soon as practicable, and in no event later than sixty (60) days after the substantial completion of the Improvements, Lessee shall furnish to Lessor:

(a) one (1) complete set of final "as-built" plans and specifications of the completed Improvements in auto-CAD format;

(b) a current, accurate, and properly labeled "as-built" plat of survey prepared and certified by a Pennsylvania registered land surveyor or professional engineer depicting to scale the location of the completed Improvements, as the same have been constructed; and

(c) one complete set of operations and maintenance manuals for all systems, equipment, furniture and fixtures relating to the Improvements.

The term "**substantial completion**" as used in this Ground Lease shall be deemed to mean satisfaction of both of the following conditions: (i) the issuance of a certificate of occupancy by the appropriate Governmental Person; and (ii) such completion as will make the Improvements sufficient, suitable and ready for immediate occupancy and for the use intended.

10.19 Failure to Provide Student Housing on Schedule. Subject to the rights of any Leasehold Mortgagee, if any, to cure any default of Lessee hereunder, in addition to the rights of Lessor set forth in Article 26, if either: (i) construction of any of the Student Housing Facilities does not start within six (6) months after the expected date for commencement of construction set forth on **Exhibit "A-2"**; or (ii) substantial completion (as such term is defined above in Section 10.18) of the Student Housing Facilities does not occur within six (6) months after the expected occupancy date of August 10, 2009 as set forth on **Exhibit "A-2"**, then Lessor shall have the right to terminate this Ground Lease with respect to such Student Housing Facilities and to purchase Lessee's right, title and interest in and to the Improvements and personal property of Lessee constituting each such Student Housing Facilities for a price equal to the price established pursuant to Article 26 if an Approved Loan is not being assumed, or if an Approved Loan is being assumed, Fifty Thousand Dollars ($50,000) (such figure representing a reasonable estimate of the expenditures incurred by Lessee with respect to the Student Housing Facilities and not paid out of proceeds of any Approved Loan) plus the assumption by Lessor of any outstanding Approved Loan entered into by Lessee with respect to the Student Housing Facilities in question. If substantial completion of any of the Student Housing Facilities does not occur by the expected occupancy date, then Lessor shall make available to Lessee such Dormitory Spaces (as defined below) as are available in Lessor's on-campus dormitories to house displaced students who were to reside in such Student Housing Facilities for a price equal to One Dollar ($1.00) plus Lessor's cost of operating such dormitories, which shall be payable out of rentals paid for such Dormitory Spaces and any liquidated damages or other monies recovered from a contractor or its surety for the Student Housing Facilities as a result of any delay in substantial completion and only to the extent which monies are available after Lessee has paid debt service on the Bonds. "***Dormitory Space***" means a vacant bed in an existing on-campus dormitory of Lessor. Such Dormitory Space shall be made available until such time as the students are relocated to the Student Housing Facilities but shall not affect Lessor's rights to terminate this Ground Lease under this paragraph. Subject to the relevant provisions of the Indenture (as such term is defined in Article 19 hereof), if any, Lessee shall be permitted to receive and retain all payments made with respect to such on-campus space at the agreed-upon rental rate, as if such rooms were part of the Student Housing Facilities. If the number of displaced students exceeds the number of available Dormitory Spaces, the parties shall seek to arrange to (a) house such displaced students within the West Chester Borough area at a facility satisfactory to Lessee; (b) provide routine transportation to and from the Campus; and (c) move each such displaced student into the Student Housing Facilities when the Student Housing Facilities become available for occupancy.

10.20 Subsequent Alterations and Improvements. Following completion of the Improvements, Lessee shall not make any material additions, alterations or improvements to the Premises or construct any additional Improvements thereon without Lessor's prior written approval, which shall not be unreasonably withheld; *provided, however*, that Lessor may impose such conditions on the granting of its approval as it shall determine in its reasonable discretion.

ARTICLE 11
Use and Operation

11.1 Use. Subject to the sublease of a portion of the Premises as provided for in Article 31 hereof, Lessee will use and operate the Premises solely for the operation of the Student Housing Facilities and Improvements to serve students of Lessor and people attending camps, conferences and similar events occurring on the Campus (each an "***Attendee***") of Lessor and for such other uses as Lessor and Lessee may agree. Such Attendees shall comply with the rules and regulations imposed by Lessor on student residents of its facilities (the current ones being set forth on **Exhibit "D"**), as the same may be amended by Lessor from time-to-time. Lessee hereby covenants and agrees that Lessee shall not use or occupy, or permit any of the Premises to be used or occupied: (i) for the provision of food services or the sale of food for consumption on or off the Premises other than vending machines for beverages and snacks; in addition, Lessee acknowledges (but shall have no responsibility for) Lessor's policy that residents of the Student Housing Facilities shall be required to purchase one of Lessor's meal (board) plans; and (ii) in any manner which would (a) violate any Governmental Rule, (b) make void or voidable, or cause any insurer to cancel any insurance required by this Ground Lease or any insurance or self-insurance maintained by Lessor, or make it difficult or impossible to obtain such insurance at commercially reasonable rates or (c) constitute a public or private nuisance or waste. In addition, Lessee hereby acknowledges and agrees that no alcoholic beverages shall be allowed on the Premises, regardless of the age of the student resident, Attendee or any invitee thereto.

11.2 Management of Improvements. Lessee shall be responsible for the operation of the Premises in a manner consistent with the operation of similar student housing facilities in Pennsylvania. In so doing, Lessee may enter into a management agreement (a "***Management Agreement***") reasonably acceptable to Lessor and consistent with the terms of this Ground Lease, with a third party manager (the "***Manager***") who may be Lessor or a third party. Any third party Manager other than Lessor shall be subject to approval of Lessor, which such approval shall not be unreasonably withheld, and the Leasehold Mortgagee, if approval of the Leasehold Mortgagee is required by the Bond Documents. Any Management Agreement shall provide for the operation of the Premises without cost or expense to Lessor in compliance with all applicable Governmental Rules and in conformity with the rules, regulations and policies applicable to all housing projects on the Campus. Each Management Agreement shall satisfy in all respects the definition of qualified management agreement under the applicable regulations and revenue procedures of the Internal Revenue Service. Lessee shall be responsible for the operation of the Premises in a manner consistent with the operation of similar student housing facilities in Pennsylvania.

11.3 Non-Exclusive Licenses.

(a) Lessor agrees and hereby grants to Lessee and its successors, assigns, successors-in-title, agents, representatives, invitees, employees and sublessees, a nonexclusive license on, over, across and through any existing and/or future private streets, rights of way and authorized pedestrian pathways located on the real property under the care, custody or control of Lessor and constituting a part of the Campus in West Chester Borough, Chester County, Pennsylvania, as such Campus is depicted on **Exhibit "B-1"** hereto and areas owned by Lessor that are immediately adjacent to the Stormwater License Area described in Section 10.7 and the Geothermal Field License Area described in Section 10.8, for all forms of pedestrian and vehicular ingress, egress and access between the Premises and the nearest public streets and roadways, in accordance with a traffic control plan approved by Lessor. The non-exclusive license herein granted shall expire automatically upon the expiration or earlier termination of this Ground Lease.

(b) Lessor agrees and hereby grants to Lessee and its employees and contractors a temporary non-exclusive license on, over, across and through: (i) any existing and/or future private streets and rights of way located on the real property under the care, custody or control of Lessor and constituting a part of the Campus, as depicted on **Exhibit "B-1"** hereto, for vehicular ingress and egress between the Premises and the nearest public streets and roadways, in accordance with a traffic control plan approved by Lessor, and (ii) the property depicted on **Exhibit "B-2"** to provide a staging area for the construction of the Improvements. Such license shall expire automatically upon completion of the Improvements but shall be reinstated for purposes of any subsequent construction necessitated by casualty or other circumstance (and shall expire automatically upon completion of such reconstruction).

(c) Lessor agrees and hereby grants and conveys to Lessee licenses over, across and through the Campus (collectively, the "***Utility Licenses***") at the location shown on **Exhibit "B-3"**, or at such other location as Lessor and Lessee may from time-to-time agree in writing, for the sole purpose of installing, maintaining, repairing, operating, replacing and removing the lines and other related facilities supplying the following utilities for which the Utility Licenses are granted: (i) electricity; (ii) gas; (iii) storm sewer; (iv) sanitary sewer; (v) teledata; (vi) water; (vii) steam; (viii) chilled water; (ix) cable television; (x) telephone; and (xi) such other additional utility services as are reasonably necessary for the safe and efficient operation of the Student Housing Facilities.

Lessee shall exercise its rights under each Utility License in a manner that: (i) does not unreasonably interfere with the rights of Lessor and others to use the land burdened by each Utility License for purposes that are not inconsistent with the purposes of such Utility License; (ii) does not materially detract from the appearance or value of the land burdened by such Utility License; and (iii) complies with all laws, statutes, rules, regulations, codes, ordinances and orders of each governmental authority having jurisdiction over the land burdened by each Utility License. The Utility Licenses granted hereunder shall expire automatically upon the expiration or other earlier termination of this Ground Lease.

(d) Lessor hereby reserves for itself and its successors, assigns, successors-in-title, agents, contractors, invitees and employees the right to all forms of pedestrian and vehicular ingress, egress and access on, over, across and through the Property during construction and until

such time as the Property is determined to comprise the "footprint" of the Student Housing Facility (or this Ground Lease is amended in accordance with Section 1.1 to conform the description of the Property to such "footprint"), at which time such reservations shall terminate. Following completion of the Student Housing Facilities, Lessor reserves for itself and its successors, assigns, successors-in-title, agents, contractors, invitees and employees the right to all forms of pedestrian ingress, egress and access on, over, across and through the Property and vehicular access that does not unreasonably disrupt Lessee's use of the Property.

(e) The licenses granted herein shall be subject to such rules, regulations and policies, consistent with those imposed throughout the Campus, as Lessor may impose in its reasonable discretion.

11.4 Other Agreements. Except as otherwise permitted hereunder, Lessee shall not enter into any service or utility agreement, or any other agreement relating to the maintenance or operation of the Premises, without Lessor's prior written approval, which such approval shall not be unreasonably withheld.

11.5 Other Liens and Encumbrances. Except as otherwise expressly permitted hereunder, Lessee shall not: (i) grant to any person or entity any right of way or license relating to the Property; or (ii) directly or indirectly, create or permit to be created or to remain, and shall promptly discharge or remove, any lien, levy or encumbrance on any of this Ground Lease, the Improvements, the Premises or the Rent or any other sums payable by Lessee under this Ground Lease, other than the Permitted Encumbrances or any lien, encumbrance or other charge created by or resulting solely from any acts or omissions of Lessor or DGS after the date hereof.

ARTICLE 12
Reserves

12.1 Reserves. During the Term, a Debt Service Reserve Fund and Replacement Fund, and any such other reserve fund as may required by the Indenture (collectively, the "***Required Reserve Accounts***"), shall be established and maintained. The requirements of this Section 12.1 shall be deemed to be satisfied to the extent Lessee is required to maintain and maintains similar reserves/funds pursuant to the terms of any Approved Loan, Leasehold Mortgage, trust indenture or reimbursement agreement for the Bonds. In the event the Bonds are paid or refinanced and the Approved Loan for the refinancing does not require such reserves, then Lessee shall maintain the Required Reserve Accounts in the amounts set forth in the Leasehold Mortgage or the Indenture related to the Bonds even though such Leasehold Mortgage or the Indenture has been satisfied. Subject to the Bond Documents, all Required Reserve Accounts shall be held in the name of Lessee by a depositary selected by Lessee and reasonably acceptable to Lessor.

ARTICLE 13
Assignment and Subletting

13.1 Written Consent. Except as otherwise provided in this Ground Lease, Lessee and its successors and assigns shall not have the right to assign or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to sublease the Premises or any portion thereof without the consent of Lessor, which consent may be withheld in Lessor's sole

and absolute discretion. Any assignment, sublease or transfer for which consent is required but which is nevertheless made without such written consent shall be void.

13.2 Resident Agreements; Parking Facilities. Any other provisions of this Ground Lease to the contrary notwithstanding, Lessee, and its successors and assigns, shall, without the consent or approval of Lessor, have the right, in the ordinary course of business, to enter into housing agreements with residents of the Student Housing Facilities and Attendees ("***Resident Agreements***") in form and substance reasonably acceptable to Lessor and in accordance with the rules and regulations imposed by Lessor on student residents of its facilities and Attendees (as set forth in **Exhibit "D"**), as the same may be amended by Lessor from time-to-time; *provided, however*, that no such housing agreements shall exceed twelve (12) months in duration. Lessor will grant to the eligible residents of the Student Housing Facilities a non-exclusive license to use the parking facilities located on the Campus, to the same extent as it grants such rights to any of its students, provided that such residents shall pay any fees imposed by Lessor (which shall be comparable to those charged by Lessor to other students and Attendees) and agree to be bound by such rules and regulations as Lessor may establish from time-to-time with respect to such parking facilities.

13.3 Assignment to Leasehold Mortgagee. Any other provisions of this Ground Lease to the contrary notwithstanding, Lessee, and its successors and assigns, shall have the right without the consent or approval of Lessor to assign, mortgage or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto which Lessee desires to assign or transfer to a Leasehold Mortgagee, to the extent permitted in Article 19 of this Ground Lease. Lessor agrees to recognize any assignee or transferee of an assignment or transfer for which Lessor's consent is not required as lessee for the performance of all duties and obligations arising by reason of the interest of this Ground Lease being so assigned or transferred; *provided, however*, Lessee hereby acknowledges and agrees that Lessee shall not be relieved of its liability for the performance of its duties or obligations pursuant to this Ground Lease by any such assignment or transfer.

13.4 Right of First Refusal. Subject to the rights of Lessor under Section 13.1 hereof:

(a) If Lessee desires to assign all of its interest as Lessee under this Ground Lease to a proposed assignee other than as described in Section 13.3 or in Article 19, and receives from such a prospective assignee a bona fide offer for the purchase of such interest, which Lessee desires to accept, Lessee shall promptly give to Lessor written notice (an "***Offer Notice***") to Lessor, which Offer Notice shall disclose in reasonable detail the identity of the prospective assignee and the proposed terms and conditions of the assignment (including, without limitation, representations, warranties, covenants and indemnities);

(b) Lessor shall have a period of ninety (90) days after the receipt of such an Offer Notice (the "***Election Period***") from Lessee within which to notify Lessee in writing that Lessor, or an affiliate or designee of Lessor either: (i) elects to purchase the interest upon the terms and subject to the conditions set forth in the Offer Notice; (ii) disapproves the proposed assignment to the prospective assignee; or (iii) approves the proposed assignment to the prospective assignee (a "***Notice of Decision***"). In the event that Lessor or its affiliate or designee elects to purchase such interest within the time and in the manner set forth above, then Lessee and Lessor shall close such transaction at the time and place and on the date designated by

Lessor by written notice to Lessee, which closing date shall be not more than ninety (90) days after Lessee's receipt of the Notice of Decision. If, within the Election Period, Lessor does not elect to purchase such interest and if Lessor approves in writing the proposed assignment to the prospective assignee, then Lessee shall within ninety (90) days after receipt of Lessor's Notice of Decision, have the right to assign such interest to the prospective assignee identified in the Offer Notice, upon the same terms and subject to the same conditions as those specified in the Offer Notice. If such interest is not so transferred within such time period, then any subsequent assignment shall be subject to all of the provisions of this Section 13.4. If Lessor disapproves in writing the proposed assignment to the prospective assignee or fails to provide a Notice of Decision, then Lessee shall have no right to assign such interest;

(c) At closing of any transaction pursuant to which Lessee assigns all of its interest under this Ground Lease, Lessee's interest in and to the Improvements shall be conveyed by special warranty deed in recordable form executed by Lessee if requested by Lessor, and Lessee shall convey its interest in this Ground Lease and the Resident Agreements by an assignment and assumption agreement in accordance with the terms of the bona fide offer. The Student Housing Facilities and Lessee's interest in the Premises shall be conveyed in accordance with all of the terms and conditions of the bona fide offer, and shall be subject only to the Resident Agreements and to the Permitted Encumbrances, to all matters occurring subsequent to the date of this Ground Lease which would be disclosed by an accurate survey and inspection of the Property and to all encumbrances created or consented to by Lessor; and

(d) All costs and expenses incurred in connection with the closing of the conveyance shall be paid by the party by whom payment is required under the terms of the Offer Notice.

Notwithstanding the foregoing, Section 13.4 shall not apply to any assignment of this Ground Lease to a Leasehold Mortgagee or any assignee or transferee of such Leasehold Mortgagee's interest pursuant to the enforcement of its Leasehold Mortgage.

ARTICLE 14
Maintenance, Repair and Replacement

Lessee shall, at all times during the term of this Ground Lease, keep and maintain the Premises, and appurtenances and every part thereof, in good and sanitary order, condition and repair (subject to the Bond Documents), ordinary wear and tear excepted. Lessee's obligation to repair shall include, without limitation, the repair and replacement of all exterior and interior supporting walls, foundations, roofs, rain gutters and spouting and all aesthetic aspects of the Premises and also shall keep the interior non-structural portions of all Improvements (specifically including the stairs, windows and doors of the Student Housing Facilities) in good order, condition, and repair, clean, sanitary, and safe, and including the replacement of equipment, fixtures (including HVAC, plumbing, electrical, mechanical and life safety systems), and all broken glass (with glass of the same size and quality). Lessee also shall be responsible for maintaining all canopies and awnings related to the Improvements and all landscaping, any parking areas, driveways and sidewalks on the Property. Prior to the beginning of each year, Lessor and Lessee shall meet at least annually to establish a maintenance schedule to be performed by Lessee with respect to the Improvements and the Property. Lessee shall be required to perform the actions set forth in such maintenance schedule during such year unless

Lessor otherwise previously agrees in writing. If Lessee fails to perform any of its obligations as required hereunder, after notice and right to cure pursuant to the terms and provisions of Section 20.1 hereof, Lessor may (but shall not be required to) perform and satisfy same, and Lessee hereby agrees to reimburse Lessor, as Additional Rent, for the reasonable cost thereof.

ARTICLE 15
Indemnification

Subject to Section 2.10, Lessee hereby releases and agrees to indemnify and hold harmless Lessor, the State System of Higher Education, DGS and the Commonwealth and all of their respective trustees, officers, employees, directors, members, agents and consultants (collectively, the "***Indemnitees***") of and from any and all claims, demands, liabilities, losses, costs or expenses for any loss including without limitation, bodily injury (including death), personal injury, property damage, expenses, and attorneys' fees (collectively, "***Losses***"), directly or indirectly arising from or relating to the Premises pursuant to Lessee's covenants set forth in this Ground Lease, including, without limitation, those arising from or relating to the construction of the Improvements, but excluding any Losses resulting directly from Lessor's gross negligence or willful misconduct. This indemnification obligation extends to and is automatically assumed by the successors and assigns of Lessee, and survives the expiration or termination of the Ground Lease and the dissolution or, to the extent allowed by law, the bankruptcy of Lessee.

ARTICLE 16
Police Services and Security

The Premises shall be subject, at all times during the Term, to the jurisdiction of Lessor's campus security force, which shall be permitted access to the Premises and Improvements at all times. Notwithstanding the foregoing, Lessee, at its own cost and expense, shall be responsible for the safety and security of the Premises, and shall install and maintain such security systems as may be approved by Lessor, which approval shall not be unreasonably withheld.

ARTICLE 17
Insurance

Throughout the Term, Lessee shall arrange and maintain, or cause to be arranged and maintained insurance covering, at a minimum, the following risks to the extent stated. Such insurance shall be written on an "occurrence policy form basis" with the exception of directors and officers liability and employment practices liability and, to the extent required, professional liability set forth herein, unless Lessor and Trustee otherwise consents in writing, which consent shall not be unreasonably withheld or delayed; *provided, however*, that with respect to insurance permitted by Lessor and Trustee to be issued on a "claims made basis," Lessor and Trustee may condition such consent on the purchase by Lessee of an extended coverage endorsement ("tail coverage") with the same coverage for to the longest additional term commercially available, but no less than three (3) years. All policies required hereunder shall provide that such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance or self-insurance provided by Lessor to itself or its officers, officials or employees, that such insurance coverage shall not be amended, modified, reduced or cancelled without thirty (30) days' prior written notice to Lessor and Trustee, and Lessee shall immediately forward to

Lessor and Trustee any notice received from a carrier regarding the amendment, modification, reduction or cancellation of such insurance coverage. Additionally, such property and business interruption (including builders all risk, marine cargo and delay in startup) insurance shall name the Trustee as sole loss payee or first loss payee (if other interests are present) and Lessor as loss payee after the interest of the Trustee has been fully satisfied. Loss payable form shall be equivalent to loss payable clause 438 BFU or CP 12 18 or equivalent, subject to the approval of Lessor. All policies except workers compensation, fidelity bonds (crime insurance), directors and officers liability, employment practices liability and professional liability shall name the Trustee and Lessor as additional insureds as may be applicable and waive rights of subrogation in favor of the Trustee and Lessor. Lessor and Lessee may agree from time-to-time that Lessee may obtain insurance coverage on terms reasonably different from those set forth in this Article 17. The insurance policies purchased by Lessee must be issued by a company authorized to conduct business in the Commonwealth of Pennsylvania with an A.M. Best's Rating of no less than A-, IX or as may otherwise be acceptable to the Trustee and Lessor. All property and time element (delay in startup and business interruption) policies of insurance hereunder shall provide sufficient limits to avoid all otherwise applicable co-insurance penalties and contain non-vitiation wording favorable to the Trustee and Lessor.

17.1 Workers' Compensation and Employer's Liability. At all times during the Term, Lessee shall arrange and maintain, and Lessee shall cause the Developer Contracts to require the Developer to require its contractors to arrange and maintain (a) Workers' Compensation insurance covering their respective employees, if any, on the Campus as required by the laws of the Commonwealth of Pennsylvania and (b) Employer's Liability Insurance with minimum limits of Five Hundred Thousand Dollars ($500,000) for bodily injury, including death, by accident or disease. Lessee shall require all subcontractors performing work under this Ground Lease to provide an insurance certificate satisfactory to Lessee showing proof of Workers' Compensation and Employer's Liability Insurance.

17.2 Property, Builder's All Risk, Delay in Startup and Business Interruption. At all times during the Term, Lessee shall arrange and maintain, or cause its contractors to arrange and maintain All Risk Property (on date of substantial completion) and Builder's All Risk (during construction) on a replacement cost basis, covering all physical loss or damage to the Premises on an all risk basis (including without limitation, the perils of fire, lightning, explosion, windstorm, earthquake, flood, windstorm, terrorism, equipment breakdown, subsidence, aircraft damage, vehicle damage, smoke, vandalism and malicious mischief, boiler and machinery coverage (direct damage and use and occupancy) on a replacement cost basis, etc.) in an amount not less than the full replacement value (which as of the date hereof is estimated to be Seventy Five Million Dollars ($75,000,000) with the exception of earthquake and flood which may carry sublimits of Ten Million Dollars ($10,000,000) including business interruption, (on date of substantial completion) and delay in startup (during construction), with a deductible not to exceed Twenty-Five Thousand Dollars ($25,000) per occurrence except Fifty Thousand Dollars ($50,000) each for earthquake and flood. Lessee shall also maintain twenty-four (24) months of rental income (delay in startup) coverage during construction, subject to a maximum thirty (30) day waiting period. Lessee shall also maintain or cause to be maintained transit insurance during construction in a limit not less than the greater of One Million Dollars ($1,000,000) per shipment and/or the full value of the largest shipment on a replacement cost basis. Upon substantial completion of the Student Housing Facilities, Lessee shall arrange and maintain Business Interruption Insurance (also referred to as "use and occupancy insurance" or "rental income

insurance") covering loss of revenues or other income by Lessee by reason of total or partial suspension of, or interruption in, the operation of any Improvements caused by damage or destruction of such Improvements covered by the property insurance in an amount sufficient to meet debt payments and other recurring payments for twenty-four (24) months, subject to a waiting period not to exceed thirty (30) days. Lessee shall also procure Five Million Dollars ($5,000,000) of extra expense cover.

17.3 Fidelity Bonds (Crime Insurance). At all times during the Term following substantial completion of the Student Housing Facilities, Lessee shall maintain fidelity bonds (crime insurance) or employee dishonesty insurance for all officers, agents and employees of Lessee, and any employees of Lessor, with the responsibility of handling any revenues generated from the operation of the Premises with policy limits not less than One Million Dollars ($1,000,000).

17.4 Public (General) Liability. At all times during the Term, Lessee shall arrange and maintain, and / or cause its contractors to arrange and maintain, a primary Commercial General Liability insurance policy ("CGL"), on an ISO Form 1992 form or later, covering all third party claims for bodily injury and property damage, including loss of use thereof, in an amount not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate, with deductible provisions not to exceed Ten Thousand Dollars ($10,000) per occurrence and to include coverage for personal injury, products and completed operations, contractual liability (including obligations in this Ground Lease) and explosion, collapse and underground ("XCU"). Coverage shall be specific for this project or, upon approval of Lessor, covered under umbrella or pooled policies. The policy or policies must be on an "occurrence" policy form basis unless waived by Lessor and Trustee in writing. Such cover shall contain a separation of insured clause and have no exclusions for cross liability in the event there are multiple insureds.

17.5 Automobile Liability. Lessee shall maintain business automobile insurance (with deductible not to exceed Ten Thousand Dollars ($10,000) per occurrence) with liability limits of not less than One Million Dollars ($1,000,000) combined single limit covering liability arising out of the use of any Lessee vehicle for such vehicles used in conjunction with Lessee, whether owned, non-owned or hired.

17.6 Errors and Omissions Insurance. Lessee shall obtain and maintain or cause to be obtained and maintained Professional Errors and Omissions Insurance with limits of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, covering all architects, engineers, specialists, and consultants covering construction activities associated with the Student Housing Facilities for a period of three (3) years after substantial completion. Coverages need not be specific for this project.

17.7 Umbrella Liability. Lessee shall obtain and maintain an umbrella or excess liability policy with limits of not less than Twenty-Five Million Dollars ($25,000,000) per occurrence and in the aggregate which shall include all insured coverages (following form) required by Sections 17.4 and 17.5 of this Ground Lease.

17.8 Directors and Officers Liability. Lessee shall arrange and maintain cover for wrongful acts of the directors and officers of Lessee, including entity coverage, to the extent

available in a nonprofit directors and officers liability policy form with limits of not less than Two Million Dollars ($2,000,000).

17.9 Employment Practices Liability. Lessee shall also procure and maintain insurance to cover the wrongful acts arising from the employment process and/or acts committed by employees of this project against employees, former employees or potential employees, which shall include but not be limited to coverage for wrongful termination, discrimination and sexual harassment. The policy may be written on a claims-made basis as a stand-alone policy or an endorsement to the commercial general liability insurance or directors and officers liability insurance. Minimum limit of liability is One Million Dollars ($1,000,000).

17.10 Delivery of Insurance Certificates. Upon the commencement of this Ground Lease and at each policy renewal date, Lessee shall furnish to Lessor an insurance certificate or renewal certificate evidencing all insurance required to be carried by Lessee (or the Developer or its contractors) in accordance with the Ground Lease, listing Lessor as the certificate holder and additional insured using such Accord Forms or other acceptable forms as Lessor shall direct. All insurance certificates must clearly identify all insurance coverages Lessee is required to carry under this Ground Lease, including, without limitation the insurance coverages identified in this Article 17 and shall otherwise be acceptable to Lessor. Copies of policies of insurance shall be supplied to Lessor or the Trustee upon request.

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

ARTICLE 18
Damage and Destruction

18.1 Repair of Damaged Improvements. Subject to the provisions of the Bond Documents, if any Improvement is damaged or destroyed in whole or in part by fire or any other casualty whatsoever during the term of this Ground Lease (collectively, the "***Damaged Property***"), then, except as hereafter provided in this Article 18, Lessee shall, within one hundred eighty (180) days from the date of such damage or destruction, commence the work of repair, reconstruction, restoration, or replacement and shall prosecute the same with all reasonable dispatch, and such Damaged Property shall be repaired, reconstructed or restored as nearly as practicable to the same condition as prior to such damage or destruction. Anything in this Ground Lease to the contrary notwithstanding, the period of time within which Lessee is obligated to complete the repair, reconstruction, restoration or replacement of any Damaged Property shall be extended for the period of any delay in said completion not within the reasonable control of Lessee. Lessor and Lessee specifically agree that, except as otherwise provided in this Ground Lease, damage to or destruction of any Improvements during the term of this Ground Lease, by fire or any other casualty whatsoever, shall not work a termination of this Ground Lease or authorize Lessee or those claiming by, through or under Lessee to quit or surrender possession of the Premises or any part thereof, and shall not release Lessee in any way from its liability to pay Lessor the Rent herein provided for, or from any of the provisions of this Ground Lease.

18.2 Damages for Failure to Comply with Repair Obligation. If any required repair, reconstruction, restoration or replacement of any Damaged Property is not substantially completed in accordance with Section 18.1 hereof within a reasonable time after the date of such damage or destruction, subject to Section 19.2 hereof, Lessor may terminate this Ground Lease immediately upon written notice thereof to Lessee and, in such event, Lessor shall receive the proceeds of all insurance obtained in accordance with Article 17 of this Ground Lease to the extent such proceeds have not been expended on or committed to such repairs, subject to the rights of any Leasehold Mortgagee pursuant to the Bond Documents, including, without limitation, Section 6.03(d) of the Indenture.

18.3 Use of Proceeds of Insurance.

(a) Except as otherwise provided herein or in the Bond Documents and subject to subsection (b) below, the proceeds of all insurance obtained in accordance with Article 17 of this Ground Lease (other than proceeds from business interruption insurance, public liability insurance or other such insurances) shall be used for the repair, reconstruction, restoration, or replacement of Damaged Property. Subject to the Bond Documents and subsection (b) below, the proceeds of such insurance, if not required to be used for such repair, reconstruction, restoration or replacement, shall be applied first, to unpaid Rent; second, to any Required Reserve Accounts to the extent the same are not fully funded; and third, to any proper purpose reasonably designated by Lessee.

(b) Any Net Proceeds (as such term is defined in the Indenture) received in respect of any occurrence for which Lessee is required to give notice to the Trustee and Credit Provider pursuant to the Loan Agreement (as defined below) shall be applied, at the option of Lessee, as follows:

(i) to the reconstruction, replacement or repair of the affected Property to its revenue-producing capability prior to such event ("***Restoration***"), subject to Lessee providing evidence reasonably satisfactory to the Credit Provider that the Net Proceeds, together with any amounts deposited by Lessee, will be sufficient to pay the cost of such Restoration; provided, further, that if such Net Proceeds exceed the amount necessary for such Restoration, the excess shall be applied to the extraordinary redemption of the Bonds; or

(ii) if the Net Proceeds are insufficient to pay the costs of Restoration, but Lessee is willing to deposit the additional amounts needed to pay such costs, to the Restoration; or

(iii) to the extent permitted under the redemption provisions of Article III of the Indenture and with the written consent of the Credit Provider, to the extraordinary redemption of the Bonds, in whole, or if there are insufficient proceeds to redeem all of the Bonds then Outstanding (as such term is defined in the Indenture) and Lessee chooses not to provide such other moneys sufficient for the extraordinary redemption of the balance of such Bonds, then such proceeds shall be applied to the extraordinary redemption of a part of the Bonds.

18.4 Termination Prior to Completion of Repair. If this Ground Lease is terminated before the full amount of such insurance proceeds is expended in the repair, reconstruction,

restoration or replacement of such Damaged Property, subject to the rights of any Leasehold Mortgagee and the provisions of the Bond Documents, any unexpended balance thereof, including any interest previously earned by such balance, shall inure to and become the sole property of Lessor.

ARTICLE 19
Mortgaging of the Leasehold

Lessee, and every successor and permitted assign of Lessee, shall have the right to encumber its interest in this Ground Lease under any one or more Leasehold Mortgages. If, from time-to-time, Lessee or Lessee's successors and assigns shall encumber this Ground Lease with a Leasehold Mortgage, and if such Leasehold Mortgagee delivers to Lessor an executed counterpart of such Leasehold Mortgage, together with written notice specifying the name and address of such Leasehold Mortgagee and the pertinent recording data with respect to the Leasehold Mortgage, Lessor agrees that the following provisions shall apply:

19.1 Definition of Leasehold Mortgage; Leasehold Mortgagee; Approved Loan; Bond Documents.

The term "***Leasehold Mortgage***," as used in this Ground Lease shall mean and refer to any encumbrance of Lessee's interest in this Ground Lease as security for an Approved Loan, whether by deed to secure debt, mortgage, deed of trust, or other security instrument. The term "***Leasehold Mortgagee***" shall mean and refer to the holder(s) of the indebtedness secured by any Leasehold Mortgage.

The term "***Approved Loan***" shall mean and refer to:

(a) the Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project At West Chester University of Pennsylvania), Series 2008A (University Student Housing, LLC Project At West Chester University of Pennsylvania) (the "***Bonds***") and any interest rate protection or hedge entered into by Lessee in connection therewith, (b) any related indebtedness obligations incurred by Lessee in favor of providers of letters of credit or other credit enhancement for the Bonds, (c) any indebtedness incurred by or on behalf of Lessee which refinances the Bonds or refinances indebtedness which refinanced the Bonds, in either case which meets the criteria set forth below (the "***Subsequent Indebtedness***" and, together with the Bonds, collectively, the "***Phase I Bonds***"), (d) any indebtedness incurred pursuant to or as a result of a rate hedge under swap arrangements, if any, and (e) any indebtedness incurred by Lessee to Citizens Bank of Pennsylvania, or any other credit enhancement provider for the Bonds; and

Indebtedness will only constitute Subsequent Indebtedness in respect of the Phase I Bonds if it is consented to in writing by Lessor in the exercise of Lessor's sole and absolute discretion, or: (i) is incurred for the sole purpose of refinancing the Phase I Bonds, and/or financing capital improvements to the Improvements as such term is defined in the Indenture (as such term is defined below); (ii) does not increase annual debt service in excess of the annual debt service under the Phase I Bonds and such debt service is amortized on a level basis not in excess of the level basis amortizing the Phase I Bonds; (iii) has a term that does not exceed the term of this Ground Lease; and (iv) is subject to each of the provisions set forth in this Ground Lease and to all rights and interests of Lessor herein.

The term "***Bond Documents***" shall collectively mean and refer to each of: (i) that certain Indenture of Trust of even date herewith, as may be amended or supplemented (the "***Indenture***"), by and between the Chester County Industrial Development Authority (the "***Authority***"), as issuer of the Bonds and Wilmington Trust Company, a state of Delaware banking association, as trustee (together with all successors thereto, the "***Trustee***"); (ii) that certain Loan Agreement of even date herewith, as may be amended or supplemented (the "***Loan Agreement***"), by and between the Authority and Lessee; (iii) that certain Open End Mortgage Agreement of even date herewith from Lessor in favor of Trustee, as may be amended or supplemented; and (iv) all other pledge agreements, assignments or other documents securing the Bonds.

19.2 Consent to Amendment. There shall be no cancellation, surrender or material modification of this Ground Lease by Lessor or Lessee without the prior written consent of all Leasehold Mortgagees. Notwithstanding the foregoing (but, in any event, subject to a Leasehold Mortgagee's curative rights set forth in Sections 19.4 and 19.5 below), nothing herein shall be deemed to prohibit Lessor from terminating this Ground Lease in accordance with its terms or exercising its option to purchase as provided for in this Ground Lease. There shall be no material modification in any Leasehold Mortgage or related documentation without Lessor's prior written consent.

19.3 Notices to Leasehold Mortgagees. Upon giving written notice to Lessee of any event which, with the giving of notice or passage of time or both, would constitute an Event of Default, Lessor shall simultaneously give a copy of such notice to any Leasehold Mortgagee.

19.4 Curative Rights of Leasehold Mortgagees. In addition to its rights in Section 19.3 above, a Leasehold Mortgagee shall have an additional period of thirty (30) days (or such longer period as may be required for such cure) so long as such cure: (i) is commenced within such thirty (30) day period and diligently prosecuted to completion; and (ii) relates to a non-monetary Event of Default as to which Lessee was granted the potential for such longer cure period) to remedy or cause to be remedied any Event of Default of which it receives notice. Without limiting the foregoing, the Lessor will not terminate this Ground Lease for Events of Default the cure of which reasonably requires Leasehold Mortgagee to be in possession, provided and so long as Leasehold Mortgagee: (a) promptly commences one or more actions for possession or foreclosure and prosecutes such action with reasonable diligence and such actions shall not have been dismissed with prejudice, and (b) pays any Rent that is due from the Lessee and has not been paid by the Lessee, Leasehold Mortgagee shall reimburse Lessor, at the time of so remedying the Event of Default, for all reasonable costs and expenses incurred by or on behalf of Lessor in maintaining, protecting, insuring and operating the Premises during the additional thirty (30) day period. Such Leasehold Mortgagee shall be deemed to be diligently pursuing a cure so long as it is seeking to acquire control of the Property through foreclosure or transfer in lieu thereof.

19.5 Limitation Upon Termination Rights of Lessor. If Lessor elects to terminate this Ground Lease by reason of the occurrence of an Event of Default or otherwise, the Leasehold Mortgagee, if any, shall have the right to postpone and extend the date of termination as fixed by the provisions of this Ground Lease for a period of not more than three (3) months from the expiration of the thirty (30) day period specified in Section 19.4, provided that such Leasehold Mortgagee shall have cured any then existing monetary Events of Default (with the exception of

monetary Events of Default relating to Lessee's indemnification obligations set forth in Article 15) and shall concurrently pay as and when due all Rent and other charges required to be paid under this Ground Lease, and provided further, that such Leasehold Mortgagee shall forthwith take all steps necessary or appropriate to acquire or sell Lessee's interest and estate in this Ground Lease by foreclosure upon its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of such three (3) month period, such Leasehold Mortgagee shall be actively engaged in steps to acquire or sell Lessee's interest in the Ground Lease, the time for such Leasehold Mortgagee to comply with the provisions of this Section 19.5 shall be extended for such additional period of time as shall be reasonably necessary to complete these steps with reasonable diligence and continuity. Notwithstanding any other provision of this Ground Lease, this Ground Lease shall not be terminated for so long as any Qualified Swap Agreement remains in effect or any amounts remain owing to a Swap Provider (as such term is defined in the Bond Documents).

19.6 Assignment. Lessor agrees that in the event of any foreclosure under any Leasehold Mortgage, either by judicial proceedings, or under power of sale contained therein, or in the event of an assignment of Lessee's interest and estate hereunder in lieu of foreclosure, all right, title and interest encumbered by such Leasehold Mortgage (including the licenses granted in Section 10.7 and 10.8) may, without the consent of Lessor (but subject to Lessor's rights under Article 26), be assigned to, and vested in, the purchaser at such foreclosure sale or such other designee of such Leasehold Mortgagee subject and subordinate, however, to the rights, title and interests of Lessor and, notwithstanding that Lessor's consent to said assignment shall not have been obtained, any such assignee shall be vested by virtue of such assignment with any and all rights of the party whose estate was encumbered by such Leasehold Mortgage as though Lessor had consented thereto.

19.7 Mortgagee Leases. Lessor agrees that in the event of a termination of this Ground Lease by reason of the occurrence of an Event of Default, including an Event of Default resulting from Lessee's bankruptcy or insolvency, or termination for any other reason, and subject to the rights herein granted to Leasehold Mortgagees, Lessor will enter into a lease (hereinafter referred to as the "***Mortgagee Lease***") of the Premises with Leasehold Mortgagee or its successor or assignee (the "New Lessee") for the remainder of the Term hereof, effective as of the date of such termination, at the same Rent and upon the same terms, provisions, covenants and agreements as contained in this Ground Lease, and subject to no additional exceptions or encumbrances other than the Permitted Encumbrances (and any additional exceptions or encumbrances created or consented to by Lessor) and to the rights, if any, of occupants residing in any part of the Premises; provided:

(a) Such Leasehold Mortgagee shall make written request upon Lessor for the execution of such a Mortgagee Lease within thirty (30) days after the date of termination and shall, within five (5) days after its receipt from Lessor of a written statement of all sums then due to Lessor under this Ground Lease, pay to Lessor all such sums (with the exception of sums due by reason of Lessee's indemnification obligations set forth in Article 15), including all reasonable attorney's fees, which Lessor shall have actually incurred;

(b) Such Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on Lessee's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the

abandonment or surrender of possession of the Premises under the Mortgagee Lease and shall further remedy any other conditions that Lessee was obligated to perform under the terms of this Ground Lease other than a default specified under subsections (i) through (iv) of this subsection ("***Extraordinary Lessee Defaults***"), or any other defaults that are not capable of being cured by the New Lessee. For purposes hereof, the term "***Extraordinary Lessee Defaults***" means any or all of the following:

(i) The filing of a petition by or against Lessee for adjudication as a bankrupt under the Bankruptcy Act, or for "reorganization," for "arrangement" within the meaning prescribed by the Bankruptcy Act as of the date hereof, or the filing of any petition by or against Lessee under any future Bankruptcy Act for the same or similar relief; and the adjudication of Lessee as a bankrupt, or the entry of any order for "reorganization" or the entry of an order of "arrangement" under the Bankruptcy Act as of the date hereof, or the entry of an order for similar relief under any future Bankruptcy Act;

(ii) The involuntary dissolution or the involuntary commencement of any action or proceeding for the dissolution or liquidation of Lessee, or for the appointment of a permanent receiver or a permanent trustee of all or substantially all of the property of Lessee;

(iii) The taking possession of Lessee's property by any governmental office or agency pursuant to statutory authority for the dissolution, rehabilitation, reorganization, or liquidation of Lessee; or

(iv) The making by Lessee of an assignment for the benefit of creditors and Lessee being duly removed from possession of the Premises or proceedings being commenced in a court of competent jurisdiction to remove Lessee from possession.

If an Extraordinary Lessee Default occurs and continues uncured, then notwithstanding any other provision of this Ground Lease, Leasehold Mortgagee shall be subrogated to any and all rights of Lessee with respect to the curing of any default and shall also have the right to postpone and extend the specified date for the termination of this Ground Lease, fixed by Lessor in a notice given pursuant thereto, for a period of not more than one (1) year, provided that Leasehold Mortgagee promptly commences and continues good faith efforts to cure any then existing default of Lessee (other than any Extraordinary Lessee Defaults) and shall forthwith take steps to attempt in good faith to acquire Lessee's interest in this Ground Lease by foreclosure of its Leasehold Mortgage or otherwise.

(c) Such Leasehold Mortgagee, as lessee under the Mortgagee Lease, shall have the same right, title and interest in and to the Premises as Lessee had under this Ground Lease.

19.8 Agreement Between Lessor and Leasehold Mortgagee. Upon written request to Lessor, Lessor shall execute, acknowledge and deliver to each Leasehold Mortgagee an agreement in form reasonably satisfactory to Leasehold Mortgagee and Lessor, by and among Lessor, Lessee, and such Leasehold Mortgagee acknowledging and agreeing to all of the provisions of this Article 19 of this Ground Lease.

19.9 Limitation on Number of Leasehold Mortgages. The rights granted a Leasehold Mortgagee under this Article 19 shall not extend to more than two (2) Leasehold Mortgagees at any one time, and shall be exercisable by said Leasehold Mortgagees in order of the respective priority of their Leasehold Mortgages to the exclusion of those Leasehold Mortgagees junior in priority; *provided, however*, if at the time a Leasehold Mortgagee registers with Lessor in accordance with this Article 19, there exists a Leasehold Mortgage encumbering the same interest and estate and secured by or including the same portion of the Premises, which Leasehold Mortgage has been previously registered with Lessor in accordance with this Article 19, the Leasehold Mortgage or Mortgages first in time of registration with Lessor shall, unless otherwise agreed upon between the Leasehold Mortgagees encumbering the same interest and estate, with notice of such agreement being provided to Lessor, have priority with respect to such portion of the Premises and the rights granted to a Leasehold Mortgagee under this Article 19, but shall not have priority with respect to any Leasehold Mortgage then or thereafter encumbering a senior or superior estate.

19.10 Limitation on Liability of Leasehold Mortgagee. Notwithstanding any other provision of this Ground Lease, Lessor agrees that any Leasehold Mortgagee permitted under this Ground Lease shall in no manner or respect whatsoever be liable or responsible for any of Lessee's obligations or covenants under this Ground Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), unless and until such Leasehold Mortgagee becomes a mortgagee in possession or becomes the owner of said leasehold interest and estate by foreclosure, sale in lieu of foreclosure or otherwise, in which event such Leasehold Mortgagee shall remain liable for such obligations and covenants only so long as it remains a leasehold mortgagee in possession, or the owner of said leasehold interest and estate.

19.11 No Merger of Estates. If the Lessor's and Lessee's interests in the Premises are acquired by the same person, there shall be no merger of their estates so long as a Leasehold Mortgage is of record, and the Lessor and Lessee shall each take any action reasonably required by the Leasehold Mortgagee to assure compliance with this provision.

19.12 Bankruptcy of Lessor. Lessor agrees that, in the event of its bankruptcy, it will provide lenders to Lessee, in addition to the Lessee, notice of any sale of assets under Section 363 of the Bankruptcy Code that potentially alters, changes or impairs any rights or interests relating to this Ground Lease, and Lessor recognizes and will not dispute or contest the standing of lenders to Lessee to object to any such sale that potentially alters, changes or impairs any rights or interests in this Ground Lease.

ARTICLE 20
Default

20.1 Events of Default. The occurrence of any of the following shall constitute a material default and breach of this Ground Lease by Lessee (an "***Event of Default***"):

(a) subject to the provisions of Sections 2.4(c) and 2.8 hereof, a failure by Lessee to pay any portion of the Rent when due hereunder;

(b) a failure by Lessee to fully observe and perform the provisions or covenants of this Ground Lease contained in Article 13 hereof;

(c) a failure by Lessee to fully observe and perform any other provision or covenant of this Ground Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof from Lessor to Lessee or, if such failure cannot be cured within such thirty (30) day period and Lessor will not be materially harmed by such delay, for such longer period as may be required for such cure so long as such cure is commenced within such thirty (30) day period and diligently prosecuted to completion; or

(d) the making by Lessee of any assignment for the benefit of creditors; the filing by or against Lessee of a petition under any bankruptcy, insolvency, reorganization or other similar Governmental Rule (unless in the case of a petition filed against Lessee, the same is dismissed within ninety (90) days after the filing thereof); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located in the Premises or of Lessee's interest in this Ground Lease (unless possession is restored to Lessee within ninety (90) days after such appointment); or the attachment, execution or levy against, or other judicial seizure of, substantially all of Lessee's interest in this Ground Lease (unless the same is discharged within ninety (90) days after the issuance thereof).

20.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, but subject to the provisions of Article 19, Lessor may pursue any or all of the following options without prejudice to such election of remedies, or the order in which such remedies may be pursued or exercised:

(a) Lessor may accelerate the Base Rent due hereunder for the remainder of the Term hereof by written notice to Lessee to such effect, whereupon such Base Rent shall be immediately due and payable;

(b) Lessor may terminate this Ground Lease by written notice to Lessee to such effect, whereupon Lessee shall immediately surrender the Premises to Lessor in accordance with Article 21, and Lessor shall be entitled to commence an action to recover all damages incurred by it on account of the occurrence of any such Events of Default and termination;

(c) Lessor may enter the Premises (with process of law and without such entry being constituted an eviction of Lessee or a termination of this Ground Lease) and take possession of any equipment, fixtures, furniture and other personal property of Lessee situated on the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Lessee reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale Lessor or Lessor's assigns may purchase such property unless otherwise prohibited by law. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the aforesaid property (including, without limitation, reasonable attorneys' fees), shall be applied against the obligations of Lessee hereunder. Any surplus shall be paid to Leasehold Mortgagee or Lessee in that order of priority, or as otherwise required by law, and Lessee shall pay any deficiencies forthwith;

(d) Lessor may enter the Premises (with process of law and without such entry being constituted an eviction of Lessee or termination of this Ground Lease) and take possession of the Premises and, at any time at its sole option and upon prior written consent of any Leasehold Mortgagees, relet the Premises or any part thereof for the account of Lessee, for such terms, upon such conditions and at such rental as Lessor may elect. In the event of such reletting: (i) Lessor shall receive and collect the rent therefrom and shall first apply such rent against such: expenses as Lessor may at any time or from time-to-time have incurred in recovering possession of the Premises, placing the same in good order and condition, altering or repairing the same for reletting and such other expenses, commissions and charges, including without limitation brokers' and attorneys' fees, which Lessor may at any time or from time-to-time have paid or incurred in connection with such repossession and reletting, and then shall apply such rent against Lessee's other obligations to Lessor hereunder; and (ii) Lessor may execute any agreement in connection with such reletting in Lessor's name or in Lessee's name, as Lessor may see fit, and the resident of such reletting shall be under no obligation to see to the application by Lessor of any rent collected by Lessor, nor shall Lessee have any right to collect any rent under such reletting. No re-entry by Lessor shall be deemed to be an acceptance of a surrender by Lessee of this Ground Lease or of the Premises; or

(e) Lessor may exercise any other remedy available to it at law or in equity.

ARTICLE 21
Expiration or Termination

21.1 Extinguishment of Lessee's Rights. Upon the termination or expiration of this Ground Lease for any cause, all rights and interests of Lessee, and all persons whomsoever claiming by, through or under Lessee (with the exception of the rights of Leasehold Mortgagees arising under Article 19 hereof), shall immediately cease and terminate, and the Premises, including all Improvements, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Premises, shall be surrendered to Lessor, in which case such property shall thereafter constitute and belong to and be the absolute property of Lessor or Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to Lessee or to anyone whomsoever, and free and clear of all liens, encumbrances, claims and charges of any character created or attempted to be created by Lessee at any time (excluding those arising in connection with an Approved Loan), and in the same condition as when the construction of such Improvements was completed, reasonable wear and tear excepted. Lessee hereby agrees to execute and deliver any documents or take any other action required to confirm the provisions of this Section 21.1, which agreement shall survive the expiration or termination hereof.

21.2 Prepaid Items; Accrued and Unpaid Rent. Upon the expiration of the Term, or upon the prior termination of this Ground Lease from any cause, all expense items prepaid by Lessee with respect to constructing, operating, maintaining and protecting the Premises, including, without limitation, accrued and unpaid Rent, prepaid insurance premiums and any tax and utility deposits, shall be included in the calculation of the amount of Net Available Cash Flow for the Lease Year in which such expiration or earlier termination occurs for the purpose of calculating Percentage Rent for that Lease Year under Section 2.4.

21.3 Amounts Remaining in Funds and Accounts. Upon the expiration of the Term, or upon the prior termination of this Ground Lease from any cause, any amounts remaining in the Required Reserve Accounts or in any other fund, account or reserve created in connection with the management of the Student Housing Facilities shall be applied in the following order: (i) to the items for which the Required Reserve Accounts were established; (ii) to any amounts which are then due and payable under the Leasehold Mortgage or the other Bond Documents; and (iii) any such remaining amounts shall be then added to the amount of Net Available Cash Flow for the Lease Year in which such expiration or earlier termination occurs for the purpose of calculating Percentage Rent for that Lease Year under Section 2.4. The provisions of this Section and all other Sections of this Ground Lease shall be subject to the Bond Documents.

21.4 Waiver. **LESSEE EXPRESSLY WAIVES TO LESSOR THE BENEFIT TO LESSEE OF 68 P.S. SECTION 250.501, BEING SECTION 501 OF THAT ACT, APPROVED APRIL 6, 1951, ENTITLED "LESSOR AND LESSEE ACT OF 1951", AS THE SAME MAY BE AMENDED FROM TIME-TO-TIME, REQUIRING NOTICE TO QUIT UPON THE EXPIRATION OF THE TERM OF THIS GROUND LEASE OR AT THE EXPIRATION OF ANY EXTENSION OR RENEWAL THEREOF, OR UPON ANY EARLIER TERMINATION OF THIS GROUND LEASE, AS HEREIN PROVIDED. LESSEE COVENANTS AND AGREES TO VACATE, REMOVE FROM AND DELIVER UP AND SURRENDER THE POSSESSION OF THE PREMISES TO LESSOR UPON THE EXPIRATION OF THE GROUND LEASE TERM OR UPON THE EXPIRATION OF ANY EXTENSION OR RENEWAL THEREOF, OR UPON ANY EARLIER TERMINATION OF THIS GROUND LEASE, AS HEREIN PROVIDED, WITHOUT SUCH NOTICE, IN THE CONDITION AS REQUIRED ABOVE.**

ARTICLE 22
Access and Inspection

Lessor, DGS, and each of their authorized representatives, agents, employees and attorneys may, but shall be under no duty to, enter the Premises at all reasonable times upon reasonable prior notice, subject to the rights of residents in possession, if any, to inspect the Premises in order to determine whether Lessee is complying with its undertakings, duties and obligations under this Ground Lease, to make such necessary repairs, additions, improvements, changes or alterations to the Premises as Lessor may elect to make in accordance with the terms and provisions of this Ground Lease, and to exhibit the same to prospective purchasers, operators, mortgagees, or residents of the Premises. Such entry, inspection and repairs, additions, improvements, changes, or alterations as Lessor or DGS may make of the Premises shall not constitute an eviction of Lessee in whole or in part, and the Rent shall in no way abate by reason of loss or interruption of the business of Lessee or otherwise while such work is being done. Lessor agrees to employ its reasonable efforts to minimize any interruption to the business operations of Lessee resulting from Lessor's, DGS's (or their designated representatives') work in or on the Premises. Nothing herein contained, however, shall be deemed or construed to impose upon Lessor any obligation or liability whatsoever for care, supervision, repair, additions, improvement, change or alteration to the Premises other than as herein expressly provided.

ARTICLE 23
Regulations

Lessee takes the Property subject to all zoning and other regulations and ordinances now or hereafter in force including, without limitation, those as to building lines and setback requirements and environmental and conservation requirements.

ARTICLE 24
Condemnation

The term "***condemnation***" as used in this Ground Lease means the taking or appropriation of property, or any interest therein, in exercise of the power or right of eminent domain or such taking for public or quasi-public use or any state of facts relating to the taking or appropriation of property which, without an actual taking or appropriation, shall result in direct or consequential damages to the Premises or the leasehold interest herein. Such term shall also be deemed to include, to the extent not otherwise defined in this Article 24, a temporary taking of the Premises or any part thereof or the improvements thereon for a period of one year or more, and the taking of the leasehold interest created herein.

24.1 Total Condemnation. If all of the Premises (or such substantial portion thereof as shall, in Lessee's sole discretion, make it economically unfeasible to continue to operate the remaining portion for the purpose herein) is so condemned, this Ground Lease shall terminate on the date title to the Premises vests in the condemnor; *provided, however*, that such termination shall be without prejudice to the rights of Lessor to recover just and adequate compensation from any such condemnor. If this Ground Lease is terminated as provided in this Section 24, Lessee shall pay Lessor Rent for the Lease Year in which the Premises is taken, pro-rated to the date of such termination. The Rent shall be payable within sixty (60) days after the date the Ground Lease is terminated.

24.2 Division of Award - Total Condemnation. If the Premises is totally condemned as provided in Section 24.1, then, subject to the terms of any applicable Leasehold Mortgage, the condemnation proceeds shall be paid as follows:

(a) Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance and accrued interest on and all other sums owing under each Leasehold Mortgage which shall be directly paid to such Leasehold Mortgagee.

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

24.3 Partial Condemnation. In the event of a less-than-total taking as provided in Section 24.1 above, this Ground Lease shall terminate as to the condemned portion of the Premises on the date title to the condemned portion of the Premises vests in the condemnor; *provided, however*, that such termination shall be without prejudice to the rights of Lessor and Lessee to recover just and adequate compensation from any such condemnor. The provisions of this Ground Lease shall remain in full force and effect as to the portion of the Premises not condemned and the Base Rent shall be adjusted accordingly.

24.4 Division of Award - Partial Condemnation. If the Premises is partially condemned as provided in Section 24.3, the condemnation proceeds shall be paid as follows:

(a) Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall be required to be paid under each Leasehold Mortgage. Such amount shall be directly paid to such Leasehold Mortgagee.

(b) Lessor shall then be entitled to receive the balance of the condemnation proceeds, including the value of any leasehold interest. Lessee waives any right it may have to any such portion of the award.

ARTICLE 25
Estoppel Certificates

Lessor and Lessee will execute, acknowledge and deliver to the other promptly upon request, a certificate certifying as to the following:

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

(b) Payment of Rent. The dates through which the Rent under this Ground Lease have been paid;

(c) Amount of Rent Due. The amount of the Rent then due and payable; and

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

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

ARTICLE 26
Option to Purchase

Throughout the Term of this Ground Lease, Lessor shall have the right and option to purchase Lessee's right, title and interest in and to the Improvements and personal property of Lessee located on the Premises and/or to purchase an assignment of Lessee's leasehold interest and estate (collectively, "***Lessee's Interest***").

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

26.2 Conditions to Exercise. Notwithstanding the provisions of this Article 26, Lessor shall not exercise its option to purchase Lessee's Interest unless and until the Swap Provider or the Qualified Swap Agreement has been terminated and fully paid in accordance with its terms.

26.3 Purchase Price. If the option to purchase is exercised, the purchase price of Lessee's right, title and interest in and to Lessee's Interest shall be its fair market value, but in no event less than: (i) the unpaid amount of all Approved Loans secured by Leasehold Mortgages if the same cannot be assumed, plus any premium or penalty due upon the repayment of such Approved Loans and interest to the repayment date of the Approved Loans; and (ii) if the Approved Loans cannot be repaid immediately, any amounts (or securities) which must be deposited in escrow in order to cause all principal, premium and interest on the Approved Loan to be paid or deemed to be paid in accordance with its terms to its maturity or earlier prepayment/redemption date (the "***Purchase Price***"). If the Approved Loan is not assumable, the Purchase Price shall be paid to Lessee in cash or other immediately available funds at Closing; *provided, however*, that if the Approved Loan is assumable and Lessor has agreed to assume such Approved Loan, then and in such event: Lessor shall be given a credit against the Purchase Price in an amount equal to the then outstanding indebtedness of Lessee thereunder. In the event that Lessor and Lessee cannot agree upon the fair market value of Lessee's Interest, they each shall designate by written notice to the other an independent and regionally recognized real estate appraiser duly licensed to conduct such business in the Commonwealth of Pennsylvania to make such determination. The two persons so designated shall appraise Lessee's Interest and shall deliver copies of their respective reports to Lessor and Lessee within thirty (30) days after the second of them shall be designated. If the lower of the two values so determined is within ten percent (10%) of the higher value, then the value of Lessee's Interest shall be deemed to be the average of the two. If such lower value is more than ten percent (10%) less than the higher value and Lessor is not willing to pay the higher value, then the two appraisers shall designate in writing a third and similarly qualified appraiser, who shall appraise Lessee's Interest within thirty (30) days after being designated to serve as such. The fair market value of Lessee's Interest shall be deemed to be the average of the three appraisers. Within fifteen (15) days following such determination, Lessor shall elect in writing to proceed with the purchase or to revoke its Exercise Notice, in which case neither party shall have any further liability to the other in connection with such purchase except that each party shall bear the fees and expenses of the appraiser designated by it, and fifty percent (50%) of the fees and expenses of the third appraiser, if any.

26.4 Closing. Closing shall be held on or before the date that is ninety (90) days after the date of the determination of the Purchase Price, on such date and at such time and place as Lessor shall specify in a notice to Lessee. At Closing, title to the Improvements shall be conveyed by a deed, assignment, bill of sale, or other appropriate instrument in recordable form executed by Lessee, and Lessee shall convey its interest in the Resident Agreements and any personal property by a Bill of Sale, Assignment and Assumption Agreement containing limited warranties of title.

26.5 Title. Lessee's Interest shall be conveyed free and clear of all liens and encumbrances except for: (i) the Resident Agreements; (ii) the Permitted Encumbrances; (iii) all liens and encumbrances created by Lessor; (iv) all liens and encumbrances consented to by Lessor or DGS which cannot be satisfied by the payment of a liquidated sum; and (v) liens and encumbrances in connection with Approved Loans assumed by Lessor.

26.6 Closing Costs. Lessor shall pay all recording fees for satisfaction of Lessee's loans and all recording fees in connection with recording of the instruments of conveyance and/or assignment. Lessee shall pay all transfer taxes in connection with the sale of the Improvements.

ARTICLE 27
Lessee's Liability

Notwithstanding anything to the contrary herein, including, without limitation, Sections 2.1, 2.4, 2.5, 2.6, 2.9, 4.1, Article 7, Article 17, Sections 20.2(a), 20.2(b), 20.2(d) and 26.3, Lessor hereby acknowledges and agrees that Lessee's obligation to satisfy any monetary obligations imposed upon Lessee by this Ground Lease, in the absence of fraud, willful misconduct or gross negligence on Lessee's behalf or part, shall be solely limited to Gross Revenues received from the Student Housing Facilities or Lessee's equity therein. Lessor further hereby acknowledges and agrees that upon the occurrence of an Event of Default by Lessee under this Ground Lease, in the absence of fraud, willful misconduct or gross negligence on Lessee's behalf or part, Lessor shall have no right to bring an action to collect the sums owed from such Event of Default or in any way attempt to collect the money owed by Lessee as a result of any such Event of Default under this Ground Lease from any asset of University Student Housing, LLC, with, as set forth in previous sentence, the exception of Gross Revenues received from the Student Housing Facilities.

ARTICLE 28
Notices

Until a different address is given in writing to Lessee, all notices required to be given to Lessor hereunder shall be mailed by receipted express delivery service, messenger or facsimile to Lessor at the following address:

[redacted]
Vice President for Administration and Finance
West Chester University of Pennsylvania
[redacted]ing
[redacted]3

with a copy to:

[redacted]
University Legal Counsel
Pennsylvania State System of Higher Education
Office of the Chancellor
[redacted]

All notices required to be given to Lessee hereunder shall, until a different address is given to Lessor in writing, be sent by express delivery service or messenger to Lessee at the following address:

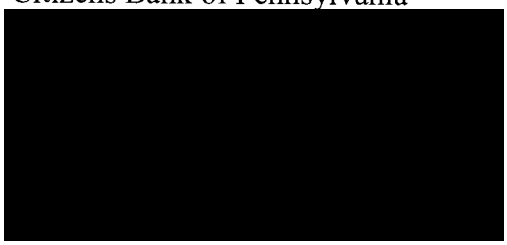
University Student Housing, LLC
[redacted]

with a copy to:

[redacted]
MacElree Harvey, Ltd.
[redacted]

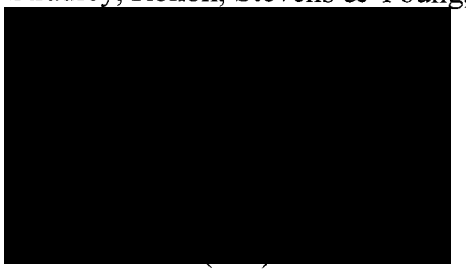
Until a different address is given to Lessee in writing, all notices required to be given to Credit Provider hereunder shall be mailed by receipted express delivery service, messenger or facsimile to Credit Provider at the following address:

Citizens Bank of Pennsylvania



with a copies to:

Stradley, Ronon, Stevens & Young, LLP



Morgan Keegan Financial Products, Inc.

Deutsche Bank AG, New York Branch

Notwithstanding anything contained in this Ground Lease to the contrary, any notice required to be given by Lessor, Lessee, Leasehold Mortgagee, or Credit Provider hereunder shall be deemed to have been given and shall be effective as of the date such notice is received or refused. All notices, demands or requests made by either party to the other which are required or permitted by the provisions of this Ground Lease shall be in writing.

ARTICLE 29
Submission of Matters to Lessor for Approval

Any matter which must be submitted to and consented to or approved in writing by Lessor or any matter which must be submitted to Lessor which may become effective if not denied by Lessor, as required under this Ground Lease, shall be submitted to Lessor in accordance with Article 28 of this Ground Lease and shall either be approved or rejected by Lessor within thirty (30) days after receipt unless a different period of time is expressly stated elsewhere in this Ground Lease. Lessor shall inform Lessee in writing of its rejection or approval of such submitted matter in accordance with Article 28 of this Ground Lease. Lessor's

failure to approve or reject in writing any submissions within such thirty (30) day period shall be deemed approval, and Lessee shall have no right to proceed on such matter so submitted. Any review by Lessor of any matter submitted to Lessor is for Lessor's own convenience and purpose only. By undertaking such review, Lessor does not obtain or have any liability to Lessee or any other person, including, without limitation, the insurers and lenders of Lessee, and no such review or approval shall be deemed or construed as a representation to the quality, safety, suitability or legality of the matter so reviewed or approved.

ARTICLE 30
Holding Over by Lessee

Lessee shall not use or remain in possession of the Premises after the Term, and any existing Resident Agreements between Lessee and occupants at such time shall be deemed assigned to Lessor. Any holding over, or continued use or occupancy by Lessee after the termination of this Ground Lease, without the written consent of Lessor, shall not constitute a tenant-at-will interest in behalf of Lessee, but Lessee shall become a tenant-at-sufferance and liable for two hundred percent (200%) of the Rent and all other expenses, obligations and payments in effect for the immediately preceding year of the term of this Ground Lease, plus any expenses, including, without limitation, counsel fees and costs of litigation, incurred by Lessor in seeking and obtaining Lessee's dispossession of the Premises. There shall be no renewal whatsoever of this Ground Lease by operation of law.

ARTICLE 31
Sublease

31.1 Sublease of Premises. Lessee agrees, on the terms and subject to the conditions set forth in this Article 31 and the terms and conditions of any Leasehold Mortgage, to sublease (the "***Sublease***") to Lessor the following areas (collectively, the "***Sublease Premises***") in the Student Housing Facilities, all as shown on **Exhibit "E"** hereto. Lessor will not further sublease the Sublease Premises without Lessee's prior written consent, which shall not be unreasonably withheld or delayed.

31.2 Rent. Commencing with the Lease Year beginning July 1, 2009, as a minimum rent for the lease of all of the Sublease Premises, Lessor shall pay to Lessee the amount of Twenty Dollars ($20.00) per Lease Year, payable in advance commencing June 1, 2009 and continuing on June 1 of each year thereafter until termination of the Sublease. Such rent includes all amounts due for Real Estate Charges otherwise payable by Lessee pursuant to Article 4 hereof. In addition, Lessor will pay its monthly allocable share of utilities (as such utilities are set forth on **Exhibit "F"** hereto) within thirty (30) days after receipt of a statement therefor from Lessee. Notwithstanding any provision herein to the contrary, but subject to the provisions of the Bond Documents, Lessor and Lessee may agree to set-off any amounts due to Lessee under this Article 31 against any Rent due by the Lessee to Lessor under this Ground Lease.

31.3 Term. The term of the Sublease shall begin on the date hereof and continue for a term of twenty-nine (29) years and six (6) months.

31.4 Use. Lessor will use and operate the Sublease Premises: (i) solely for the educational purposes of Lessor, including, without limitation, offices, classrooms, computer repair services for students of Lessor, so long as such use would not violate any zoning ordinance or variance or would cause any of the Premises to be subject to taxation or to violate applicable agreements related to payments in lieu of taxes; and (ii) for such other uses as Lessor and Lessee may agree, so long as such uses would not increase insurance cost to Lessee as required pursuant to Article 17 hereof.

31.5 Fit-out, Maintenance, Repair and Replacement. Lessor acknowledges and agrees that Lessee shall deliver the Sublease Premises with exterior walls, windows, floors and ceilings with access to electrical and plumbing service, all as unfinished, and that all interior carpentry and other finish work, electrical and plumbing service shall be the sole and exclusive obligation of the Lessor. Under no circumstances shall the Lessee have any obligation for, or any responsibility to provide any fit-out allowance to the Lessor in connection with the Sublease Premises. Lessor shall, at all times during the term of the Sublease, at Lessor's sole cost and expense, keep and maintain the Sublease Premises, and appurtenances and every part thereof (other than the exterior walls, windows, floors and ceilings, which shall be Lessee's responsibility), in good and sanitary order, condition and repair. Lessee hereby authorizes entry to Lessor, its contractors and agents for the purpose of completing the work contemplated by this Section 31.5 prior to the commencement of the Sublease.

31.6 Insurance. At all times during the term of the Sublease, Lessor shall maintain, or cause to be maintained, at its expense, appropriate self-insurance for the Sublease Premises.

31.7 Access; Quiet Enjoyment. Lessee hereby reserves for itself and its successors, assigns, successors-in-title, agents, contractors, invitees and employees the right to reasonable ingress, egress and access on, over, across and through the Sublease Premises that does not unreasonably disrupt Lessor's use of the Sublease Premises. Lessee covenants and agrees that, throughout the term of the Sublease, Lessor may peaceably and quietly enjoy the Sublease Premises subject, however, to Lessor's fulfillment of the covenants and agreements contained in the Sublease. Failure to pay rent or other material default by Lessor of the provisions of this Article 31 can result in Lessor being removed from the Sublease Premises.

31.8 Compliance with Laws. At all times during the term of the Sublease, Lessor, at its expense, shall: (i) conform to, obey and comply in all material respects with all applicable Governmental Rules; and (ii) obtain, maintain and comply with all licenses and permits issued by any Governmental Person which are necessary in connection with the ownership, occupancy or use of the Sublease Premises.

ARTICLE 32
Miscellaneous

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

32.2 Rights Are Cumulative. All rights, powers and privileges conferred herein upon both parties hereto shall be cumulative.

32.3 Provisions Are Binding Upon Assigns And Are Covenants Real. It is mutually covenanted, understood and agreed by and between the parties hereto, that each of the provisions of this Ground Lease shall apply to, extend to, be binding upon and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors and assigns of Lessor and Lessee hereto, and shall be deemed and treated as covenants real running with the land during the term of this Ground Lease. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors and assigns of said party, the same as if in each case expressed.

32.4 Applicable Law. This Ground Lease shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

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

32.6 Invalidity of Provision or Part Thereof. If any provision, or any portion of any provision, of this Ground Lease is held invalid, the other provisions of this Ground Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

32.7 Time is of the Essence. All time limits stated in this Ground Lease are of the essence of this Ground Lease.

32.8 Section Captions are to be Disregarded. The captions of the numbered sections of this Ground Lease are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Lease.

32.9 Entire Agreement Contained Herein. The making, execution and delivery of this Ground Lease by Lessee has not been induced by any representations, statements, covenants or warranties by Lessor except for those contained in this Ground Lease. This Ground Lease constitutes the full, complete and entire agreement between and among the parties hereto with respect to the subject matter hereof, and supersedes any and all prior oral or written agreements, and any and all contemporaneous oral agreements, relating to such subject matter. No amendment of this Ground Lease shall be binding unless such amendment shall be in writing, signed by both parties hereto.

32.10 Brokers. Each of Lessor and Lessee represents to the other that it has not employed, been represented by or otherwise dealt with any real estate agent, broker or finder in connection with the leasing of the Property and that no commission, fee or other compensation is payable in connection with the leasing of the Property.

32.11 Recordation. The parties agree that, following the closing of the financing for the Student Housing Facilities, a Memorandum of Lease shall be recorded for this Ground Lease. The costs of such recording shall be borne by the party who records such Memorandum of

Lease, provided that Lessee shall pay any and all transfer taxes associated with the execution of this Ground Lease and/or the recording of the Memorandum of Lease.

32.12 Counterparts. This Ground Lease may be executed, approved and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same agreement.

32.13 Naming of Student Housing Facilities. The parties agree that any naming of the Student Housing Facilities or any rooms, facilities or amenities therein shall be subject to the approval of Lessor, which approval shall not be unreasonably withheld.

32.14 Interagency Agreement. Unless all Leasehold Mortgagees consent, Lessor will not take any action or execute any documents which would result in a termination of the Interagency Agreement with respect to the Property if such termination would have a material adverse effect on the operation of the Student Housing Facilities.

32.15. No Third Party Beneficiaries. Nothing in this Ground Lease is intended to confer any rights or remedies hereunder to any person other than the Credit Provider, the Swap Provider and each Leasehold Mortgagee, the Credit Provider, the Swap Provider and such Leasehold Mortgagees being intended third party beneficiaries.

[*The remainder of this page intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF, intending to be legally bound hereby, Lessor and Lessee have caused this Ground Lease to be duly executed and delivered as of the day and year first above written.

LESSOR:

WITNESS:

WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania

[redacted]

[redacted]

WITNESS:

Approved:

[redacted]

[redacted]

WITNESS:

LESSEE:

UNIVERSITY STUDENT HOUSING, LLC, a Pennsylvania limited liability company

[redacted]

[redacted]

Approved as to form and legality:

[redacted]

Note: Approval of the Office of the Attorney General and of the Office of the General Counsel has been Secured by Separate Memoranda

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APPENDIX D

COPY OF COOPERATION AGREEMENT

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2008 COOPERATION AGREEMENT

This 2008 COOPERATION AGREEMENT (this "**2008 Cooperation Agreement**") is made as of the 1st day of March, 2008, by and between WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania (the "**University**"), and UNIVERSITY STUDENT HOUSING, LLC, a Pennsylvania limited liability company (the "**Borrower**").

Preamble

WHEREAS, the Borrower exists for the purpose of acquiring, constructing, or otherwise providing buildings, grounds or other suitable facilities, improvements or equipment on the campus of the University for the use or benefit of students of the University;

WHEREAS, the Borrower is a separately incorporated, limited liability company, operating independently of the University;

WHEREAS, the Borrower intends to undertake the construction and operation of certain student housing facilities consisting of approximately one thousand one hundred ninety-seven (1,197) beds on the campus of the University on land to be leased by the University to the Borrower (the "**2008 Student Housing Facilities**"), all as more particularly described in that certain Ground Lease Agreement by and between the University and the Borrower, of even date herewith, as the same may be amended from time-to-time (the "**Ground Lease**");

WHEREAS, the Borrower also currently plans to construct additional student housing in two (2) subsequent phases to include approximately two thousand forty-four (2,044) additional beds for students of the University and to also be situated on the campus of the University (each such additional student housing facility, a "**Subsequent Phase**");

WHEREAS, the 2008 Student Housing Facilities will be financed with the proceeds of the Chester County Industrial Development Authority's (the "**Authority**") revenue bonds consisting of tax-exempt bonds which shall be designated Chester County Industrial Development Authority Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A (the "**Bonds**") issued pursuant to that certain Indenture of Trust, of even date herewith, by and between the Authority and Wilmington Trust Company, as Trustee (or any successor thereto), as the same may be supplemented or amended from time-to-time (the "**2008 Indenture**");

WHEREAS, the Borrower, or such other manager as may be engaged by the Borrower with respect to the 2008 Student Housing Facilities, will agree to operate and manage the 2008 Student Housing Facilities as student housing facilities to be used by students or faculty of the University or people attending camps, conferences and similar events occurring at the University during either the academic year or the summer term;

WHEREAS, the 2008 Student Housing Facilities will provide much-needed housing for the students of the University and people attending camps, conferences and similar events

occurring at the University both during the academic year and the summer term, and, therefore, will promote the University's educational purposes; and

WHEREAS, in contemplation of the development of the 2008 Student Housing Facilities, the parties hereto desire to enter into this 2008 Cooperation Agreement.

NOW, THEREFORE, the parties desire to memorialize their understandings with respect to the 2008 Student Housing Facilities pursuant to this 2008 Cooperation Agreement.

Agreement

In consideration of the foregoing and in further consideration of the anticipated benefits to the University and its students and to the Borrower of the 2008 Student Housing Facilities and this 2008 Cooperation Agreement, with the intention of and intending to be legally bound hereby, the University and the Borrower covenant and agree as follows:

Section 1. University Housing Program.

So long as the Bonds remain issued and outstanding, or any indebtedness related to the refinancing or the restructuring of the Bonds remains outstanding, or any obligations secured by the 2008 Indenture or otherwise in connection therewith are unpaid or unperformed:

(a) During both the academic year and the summer term, the University agrees not to direct or assign students or people attending camps, conferences and similar events occurring at the University on a priority basis and in preference over the 2008 Student Housing Facilities: (i) except as contemplated by Section 2 hereof referencing the provisions of Section 10.19 of the Ground Lease, to its existing housing facilities operating as of the date hereof; (ii) to a Competing Facility (as such term is defined in Section 4 herein); or (iii) to a Subsequent Phase;

(b) The University will include the 2008 Student Housing Facilities, and any Subsequent Phase, in all information and marketing material regarding student housing that it provides to its students and prospective students;

(c) The University will allow the Borrower (and any manager other than Borrower) to advertise the availability of the 2008 Student Housing Facilities, and any Subsequent Phase, on the University's campus and on its website (which shall include a link to the Borrower's and/or any manager's website), and to post reasonably-sized advertising literature on bulletin boards that are available for public announcements in the University's facilities;

(d) The University agrees to allow the 2008 Student Housing Facilities and any Subsequent Phase to be connected to the University's campus computer system, subject to such terms and conditions as the University may reasonably impose, and to be afforded the benefits of the University campus parking and security;

(e) The University will permit the Borrower (and any manager other than Borrower) to rent space on the University's campus at a site determined by the University for a

staffed leasing display during the annual housing assignment process, and to attend other events held for prospective students; and

(f) To the extent permitted by law and to the extent known by the University, the University will provide the Borrower (and any manager other than Borrower) with: (i) the names, phone numbers and addresses (including e-mail addresses) of current students of the University and incoming transfer students of the University; and (ii) the names and forwarding addresses of resident students who have withdrawn from the University (whether by formal withdrawal, transfer or otherwise) prior to completion of their respective educational programs.

Section 2. Delay in Substantial Completion.

If substantial completion of any of the 2008 Student Housing Facilities and any Subsequent Phase, does not occur by its expected occupancy date as described in the applicable development and construction agreements, then the University will make available to the Borrower space in existing on-campus housing facilities or take such other necessary action to the extent provided in Section 10.19 of the Ground Lease, or other applicable sections, if any.

Section 3. Replacement of 2008 Student Housing Facilities.

(a) The University agrees that upon completion of each building of the 2008 Student Housing Facilities, and any Subsequent Phase, it will reduce the number of beds then constructed and available for service in its existing student housing facilities (other than beds then constructed and available for service as a result of the 2008 Student Housing Facilities or any Subsequent Phase) by the number of beds constructed and available for service in the most recently completed building of the 2008 Student Housing Facilities, or Subsequent Phase, as the case may be; *provided, however*, that there will not be an exact 1:1 reduction in beds due to the configurations of the 2008 Student Housing Facilities and existing student housing facilities.

(b) Notwithstanding anything to the contrary set forth in Section 3(a) above, and both subject to and conditioned upon the prior written consent of the Credit Provider, in the event a consultant reasonably satisfactory to the Credit Provider performs a market study which demonstrates sufficient demand for existing on-campus or University affiliated housing, including, without limitation, the 2008 Student Housing Facilities or a Subsequent Phase, the University shall not be required to reduce the number of beds then constructed and available for service in its existing student housing facilities by the number of beds constructed and available for service in the most recently completed building of the 2008 Student Housing Facilities, or Subsequent Phase, as the case may be.

Section 4. Competing Facilities.

Other than the 2008 Student Housing Facilities or a Subsequent Phase, neither the University nor the Borrower will undertake to construct, own, operate or otherwise support any additional new on-campus or University affiliated, University sponsored or University supported off-campus student facility housing for its students that results in a net increase in beds (a "Competing Facility") unless the following occurs:

(a) The average academic year occupancy (excluding the summer term) of the 2008 Student Housing Facilities and all other student housing facilities on the campus of the University during the current academic year is at least ninety percent (90%);

(b) The Fixed Charge Service Coverage Ratio (as such term is defined in that certain Credit and Security Agreement between and among the Borrower, Citizens Bank of Pennsylvania, and those other financial institutions executing a joinder thereto, of even date herewith) for the most recently ended Fiscal Year was at least 1.20; and

(c) A consultant reasonably satisfactory to the Credit Provider performs a market study which demonstrates sufficient demand for a Competing Facility.

The term "Competing Facility" shall not include either: (i) any student housing project undertaken by the University or the Borrower for the purpose of replacement of student housing facilities so long as the resulting total number of beds does not exceed by four hundred (400) beds the number of beds as of the beginning of the 2007 fall semester, such number being approximately four thousand three hundred sixty-five (4,365) beds; or (ii) the Borrower's construction, equipping, operation or financing of a Subsequent Phase. Furthermore, the foregoing conditions in this Section 4 shall not apply if the General Assembly of the Commonwealth of Pennsylvania or the Pennsylvania State System of Higher Education requires the construction of a new student housing facility.

Section 5. Governing Law.

This 2008 Cooperation Agreement will be governed by the laws of the Commonwealth of Pennsylvania.

Section 6. Severability.

If any provision of this 2008 Cooperation Agreement is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision hereof.

Section 7. Modification and Amendment.

(a) Any modification and amendment of this 2008 Cooperation Agreement will be agreed to in writing and signed by both parties hereto. The parties will not enter into any modification and agreement that the parties have reason to believe will result in a reduction of the then-current rating of the Bonds by any nationally recognized bond rating agency.

(b) The Borrower will not, without the prior written consent of the University, consent to any modification or amendment of the 2008 Indenture that affects any rights or obligations of the University under this 2008 Cooperation Agreement.

Section 8. Term.

This 2008 Cooperation Agreement will remain in full force and effect as long as any of the Bonds remain outstanding or any bonds related to the refinancing or the restructuring of the Bonds remain outstanding.

Section 9. Capitalized Terms.

All initially capitalized terms used and not defined herein shall have the meaning ascribed to them in the 2008 Indenture.

Section 10. Counterparts.

This 2008 Cooperation Agreement may be executed, approved and delivered in any number of counterparts, each at which when so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

[*The remainder of this page intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have each caused this 2008 Cooperation Agreement to be executed in their respective names as of the date first above written.

UNIVERSITY STUDENT HOUSING, LLC, a Pennsylvania limited liability company

[redacted]

WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania

[redacted]

Approved as to form and legality:

[redacted]

University Legal Counsel
State System of Higher Education

Note: Approval of the Office of Attorney General
and the Office of the General Counsel
Secured by Separate Memoranda

APPENDIX E

COPY OF SERVICE AGREEMENT

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MASTER SERVICE AGREEMENT

This MASTER SERVICE AGREEMENT (this "**Agreement**") is made as of July 1, 2023, between UNIVERSITY STUDENT HOUSING, LLC, a Pennsylvania limited liability company (the "**USH**") and WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION, a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania (the "**University**").

Preamble

WHEREAS, USH owns and operates the student housing facilities described on **Exhibit "A,"** attached hereto, for the benefit of the students of West Chester University, which facilities are used for housing students and other authorized visitors of the University, and other uses that may be permitted from time to time under various Ground Leases that have been executed by USH and the University (the facilities described on **Exhibit "A**,**"** as it may be amended from time to time, shall be referred to in this Agreement as the "**Student Housing Facilities**");

WHEREAS, USH manages each of the Student Housing Facilities;

WHEREAS, the University subleases space from USH within the Student Housing Facilities known as Allegheny and Brandywine Halls (pursuant to the Ground Lease between the parties dated March 1, 2008) and Commonwealth Hall (pursuant to the Ground Lease between the parties dated February 1, 2013) (such subleased space shall be referred to in this Agreement as the "**Subleased Facilities**") for uses consistent with the University's charitable and educational purposes; and

WHEREAS, USH desires to engage the University to provide certain services which are essential to the operation of the Student Housing Facilities; and

WHEREAS, the University desires to engage USH, as a sole source provider, of certain services essential to the operation of the Subleased Facilities.

THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows with the intent to be legally bound.

Agreement

1. Engagement of the University. USH hereby engages the University to provide the services for each of the Student Housing Facilities as listed on **Exhibit "B**," attached hereto (collectively, the "**Services**"). The University hereby accepts such engagement and covenants that it will devote such time and attention to the performance of the Services as shall be requested from time-to-time by USH or as otherwise reasonably required and will cooperate with any third-party vendors or other persons providing managerial or other services at the Student Housing Facilities.

2. Term and Termination. The initial term of this Agreement shall commence on the date that the final signature is affixed (the "**Commencement Date**") and shall be in effect through June 30, 2025. Either party may terminate this Agreement at any time, with or without cause, upon 180 days prior written notice to the other; provided that, upon the expiration or earlier termination of this Agreement, the University shall continue to provide the Services, and USH shall continue to provide the Subleased Facilities Services, and the parties shall continue to be responsible for the payment of any fees therefor as provided hereunder, until substitute service providers are procured to provide such services, which shall in no case be for a period longer than 90 days. In such a case, the parties shall cooperate with each other in the procurement of such substitute service providers.

3. Fees and Billing.

(a) In consideration of the mutual promises contained in this Agreement:

(i) USH shall pay the University service fees for the Services provided by the University on an annual, subordinated basis (as described in subsection (b) hereof) at the rates set forth on **Exhibit "C"** attached hereto.

(b) USH and the University acknowledge and agree that the service fees that it charges for its provision of the Services (as outlined on **Exhibit "C**") shall, unless otherwise agreed by USH and the University, be considered subordinated expenses, which shall be payable from revenues available on or after the end of each fiscal year under USH's financing documents applicable to the project for which such expenses are to be paid.

4. Employees and Supervision. During the term of this Agreement, the parties shall employ, at its sole expense, such individuals as are necessary or desirable to perform its obligations under this Agreement.

5. Equipment and Supplies. The parties shall provide, at their sole expense, all tools, equipment and supplies as are necessary or desirable to perform the Services and the Subleased Facilities Services.

6. Compliance with Laws. Each party shall comply, at its expense, with all laws, rules, regulations, codes and ordinances of all federal, state and local governmental authorities which apply to the provision of services pursuant to this Agreement.

7. Access to Books and Records. The parties shall each retain this Agreement and the books, documents and records relating hereto for a period of three (3) years after the end of the term. Upon prior written request, the University or USH, as applicable (and their agents and auditors) shall have the right to inspect the same during regular business hours upon not less than one (1) week's prior notice.

8. Notices. All notices required under this Agreement shall, until a different address is given in writing, be sent by receipted express delivery service, messenger, or facsimile addressed as follows:

If to USH: [redacted]
Executive Director, Foundation
[redacted]

If to the University: [redacted]
Chief Financial Officer and
Vice President for Finance and Administration
[redacted]

Any notice will be deemed to have been given on the date when delivery is confirmed by signed receipt of the addressee, the records of the person making delivery or a receipt generated by the sender's fax machine, as applicable. Either party may change its address by written notice to the other in accordance with Section 8.

9. Amendments to Services and Student Housing Facilities. The Exhibits to this Agreement may be amended, modified, or supplemented from time to time by the written agreement of the parties, which amendments may change the nature of services provided by the University and USH hereunder, or to add or delete Student Housing Facilities or Subleased Facilities that are subject to this Agreement. Unless the parties agree otherwise in writing, such an amendment shall not extend the term or terminate this Agreement, which shall remain in full force and effect.

10. Miscellaneous. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. This Agreement embodies the entire Agreement between the parties with respect to the subject matter hereof and supersedes any and all prior oral and written agreements, and all contemporaneous oral agreements with respect to such subject matter on behalf of such parties, including, but not limited to the Service Agreement between USH and the University dated January 1, 2018 (regarding Commonwealth Hall), which shall be amended and replaced in its entirety with this Agreement. Except as modified by the specific terms of this Agreement, the terms of the Ground Leases, and provisions relating to the Subleased Facilities shall remain in effect, unaltered hereby. This Agreement may be executed in several counterparts, each of which shall be deemed and original, but all of which together shall constitute one and the same instrument. The waiver by either party of any breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or violation hereof. This Agreement is executed in and shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. This Agreement may be amended, supplemented or modified only by written agreement of both parties. This Agreement shall inure to the benefit of both parties and their respective successors and permitted assigns.

11. Signatures. For purposes of this Agreement, a copy of a party's electronic signature shall be considered to be an original signature, and as such, shall be sufficient to bind the parties.

[The remainder of this page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have caused this Master Service Agreement to be duly executed and delivered as of the day and year first above written.

WITNESS: **UNIVERSITY STUDENT HOUSING, LLC**

[redacted]

Executive Director
West Chester University Foundation

WITNESS: **WEST CHESTER UNIVERSITY OF PENNSYLVANIA OF THE STATE SYSTEM OF HIGHER EDUCATION**
a body corporate and politic constituting a public corporation and instrumentality under the laws of the Commonwealth of Pennsylvania

[redacted]

Vice President for Finance and Administration

Approved as to form and legality:

[redacted]

University Legal Counsel Date
State System of Higher Education

_____

Office of the Attorney General Date
State System of Higher Education

_____

Office of the Attorney General Date
State System of Higher Education

[redacted]

EXHIBIT "A"

STUDENT HOUSING FACILITIES

1. Allegheny Hall
   121 West Rosedale Ave.
   West Chester, PA 19383

2. Brandywine Hall
   709 South New Street
   West Chester, PA 19383

3. Commonwealth Hall
   715 South New Street
   West Chester, PA 19383

4. East Village Apartments
   181 Carey Drive
   West Chester, PA 19383

5. University Hall
   180 University Ave.
   West Chester, PA 19383

6. Village Apartments
   181 Carey Drive
   West Chester, PA 19383

EXHIBIT "B"

SERVICES

The following is a list of Services that the University may provide for the Student Housing Facilities, and the matrix that follows contains a description of each of the Services that are provided at each of the Student Housing Facilities. Note that this list is provided for convenience and is not intended to be exhaustive. The matrix of Services for each Student Housing Facility may contain a description of other services provided by the University.

- Maintenance of Grounds within the Ground Lease areas appurtenant to the North Campus Student Housing Facilities (approximately a 5-foot curtilage) ("**Grounds Services**") which shall include without limitation, snow removal, landscaping, plants, trees, and lawn maintenance, and repair and maintenance of site appurtenances such as sidewalks, pavement and lighting.

- Residence life services comparable to residence life services provided to similar University-owned student housing facilities, which services shall include the hiring and training of resident assistants (including building evacuation training and procedures), the provision of regularly scheduled resident programs, including educational and social activities, and providing student support, and other operational tasks at the Student Housing Facility ("**Residence Life Services**").

- Public Safety services ("**Public Safety and Security Services"**), which services shall include campus police patrol and response, front desk security, and such other security personnel and associated services for the Student Housing Facility as the parties may agree.

- WCU will provide maintenance and support of all IT Infrastructure required to provide telephone services, wired and wireless network access, and Internet to all USH Student Housing Facilities on University grounds ("**Information Technology Services**"). This includes providing and maintaining wireless access points, network switches, building routers, existing computer labs, existing digital signage and UPS units which are sustained on a 5-year replacement cycle as well as annual support and licensing fees associated with operating the equipment. WCU will also support and maintain all outside plant fiber infrastructure used to connect all USH buildings to both of WCU's university-operated data centers for backbone network access at either 10 or 100 Gbps speeds. Specifically excluded from this agreement are any costs associated with the upgrading of all structured category 5E/6/6A horizontal unshielded twisted-pair (UTP) and fiber optic riser cabling in USH buildings. When properly installed, this cabling has a lifespan of 20-25 years. When this cabling does need to be upgraded, it shall be the responsibility of USH to fund these upgrades. Any addition of computers/labs, digital signage locations

and any technology related services not mentioned above are also excluded from this agreement.

- Provide and maintain electric service and sewer drainage service up to the point of connection with the facilities owned by the Borough of West Chester, Chester County.

- Security System: Protection Bureau Contract. USH is responsible for providing security system contract/s as needed.

- Provide adequate geothermal water service up to the foundation of the Student Housing Facility to heat and cool the buildings. If a University pump room is constructed in either building, the University is responsible to maintain all geothermal piping and equipment in that room. University Student Housing has installed electronic digital temperature controls for the geothermal loop system. These controls monitor water temperature in the system and have been installed at the request of West Chester University. West Chester University agrees to maintain the system and controls in the future at no cost to University Student Housing. USH will have access to the desktop readouts to the same degree that University personnel have access.

- The University shall provide separate metering for electrical, and gas used by USH within the North Campus Student Housing Facilities. WCU shall provide USH a record of electricity and gas consumption monthly ("**Utilities**").

- USH shall be responsible for costs incurred by the University for building equipment hardware/software upgrades at USH-owned facilities. The University will be responsible for the cost of equipment hardware/software in WCU leased spaces. In addition, USH shall be responsible for ongoing maintenance costs associated with these upgrades unless otherwise covered under this agreement.

EXHIBIT "C"
FEES FOR SERVICES

The following fees are annual fees payable by USH to the University for the Services listed below. In years where collective bargaining agreements have expired or have not yet been negotiated and ratified, the fees listed below are estimates. Once agreements are ratified and personnel cost increases are known, a new schedule of fees will be provided to USH by the University. USH and the University shall reconcile actual costs for the provision of such services, and the portion of such costs attributable to each Student Housing Facility, by August 5 for FY23/24 and by August 4 for FY24/25:

Contracted Services provided to USH		
Service	**Annual Fee**	
	FY24	**FY25**
Information Technology Services	$ 428,321	$ 418,522
Public Safety and Security Services	$ 997,324	$ 1,124,341
Residence Life Services	$ 815,123	$ 830,777
Grounds Services	$ 10,777	$ 11,101
Utilities Services	$ 409,919	$ 422,217
Indirect Costs	$ 127,901	$ 128,821
Total	$ 2,789,365	$ 2,935,779

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APPENDIX F

FORM OF BOND COUNSEL OPINION

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October 31, 2024

Chester County Industrial Development Authority, as Issuer
Exton, Pennsylvania

Raymond James & Associates, Inc., as Underwriter
Memphis, Tennessee

TD Bank, National Association, as Trustee
Philadelphia, Pennsylvania

RE: Chester County Industrial Development Authority $82,920,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A; and
Chester County Industrial Development Authority $2,180,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel to Chester County Industrial Development Authority (the "Authority") in connection with the issuance of its $82,920,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A (the "2024A Bonds") and its $2,180,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (Federally Taxable) (the "2024B Bonds" and together with the 2024A Bonds, the "Bonds"). The Bonds are issued under and pursuant to the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), including particularly the Municipality Authorities Act, 53 Pa. Cons. Stat. §5601 *et seq.* and a Trust Indenture dated as of October 1, 2024 (the "Bond Indenture") between the Authority and TD Bank, National Association, as bond trustee (the "Trustee"). The Bonds have been authorized by a resolution duly adopted by the Authority on August 21, 2024 (the "Resolution"). Pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") between the Authority and Raymond James & Associates, Inc. (the "Underwriter") dated October 17, 2024, the Underwriter will purchase the Bonds from the Authority for a public offering price as more fully set forth therein.

The Authority will lend the proceeds of the Bonds to University Student Housing, LLC (the "Borrower") pursuant to a Loan Agreement dated as of October 1, 2024 (the "Loan Agreement") between the Authority and the Borrower. The Bonds will be payable from payments made by the Borrower pursuant to the Loan Agreement. The revenues of the Student Housing Facilities (defined below) will constitute the principal security for the Bonds. The

Bonds will also be secured by an Open-End Leasehold Mortgage and Security Agreement made as of October 1, 2024 and effective October 31, 2024 (the "Mortgage") from the Borrower to the Trustee pursuant to which the Borrower will grant to the Trustee a first priority mortgage lien on the leasehold interest granted pursuant to the Ground Lease (defined below). The real property on which the Student Housing Facilities are located is leased to the Borrower pursuant to a Ground Lease dated as of March 1, 2008 (the "Ground Lease"), by and between the Borrower and West Chester University of Pennsylvania (the "University") of the Pennsylvania State System of Higher Education.

The proceeds of the Bonds will be applied by the Borrower to finance (i) the current refunding of all of the Authority's Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 ("Refunded Bonds"); (ii) miscellaneous capital expenditures within and for the benefit of the students attending the University, including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "Student Housing Facilities"), (iii) necessary reserves, including the funding of all or a portion of debt service reserves, (iv) the premium for bond insurance for the Bonds, (v) from proceeds of the 2024B Bonds all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds, and (vi) paying the costs of issuance of the Bonds.

The Bonds will be limited obligations of the Authority, payable solely from certain payments to be made by the Borrower to the Authority under the Loan Agreement and funds and accounts consisting of monies and securities held by the Trustee under the Bond Indenture. The Borrower is required by the Loan Agreement to make payments to the Trustee in amounts sufficient to pay, among other things, the principal or redemption price of and interest on the Bonds.

The Borrower is a Pennsylvania limited liability company whose sole member is a Pennsylvania nonprofit corporation and each of the Borrower and its sole member has been determined by the Internal Revenue Service to be described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Borrower has represented that 95 percent of the proceeds of the 2024A Bonds will be used for qualified 501(c)(3) purposes in accordance with Section 145 of the Code.

The Borrower has covenanted in the Tax Compliance Agreement dated as of this date, with respect to the 2024A Bonds (the "Tax Compliance Agreement") to comply with the requirements of Section 148(f) of the Code which provides for the rebate of certain arbitrage profits to the United States, and has further covenanted that the Borrower shall not use proceeds of the 2024A Bonds or use or own the facilities financed or refinanced by the proceeds of the 2024A Bonds if such use would adversely affect the exclusion from gross income of interest on the 2024A Bonds. For the purposes of the opinions set forth below, we have assumed that the Authority and the Borrower will comply with the covenants in the Bond Indenture, the Loan Agreement and the Tax Compliance Agreement, and that the Authority and the Borrower will

comply with the covenants set forth in the Loan Agreement, relating to the tax exempt status of interest on the 2024A Bonds, and that the proceeds of the 2024A Bonds will be expended as required by and described in the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement and the other relevant documents, agreements, instruments and certificates executed and delivered in connection with the issuance of the Bonds (collectively, the "Bond Documents").

In rendering this opinion, we have examined (a) such constitutional provisions and statutes of the Commonwealth, (b) the proceedings authorizing the issuance of the Bonds, and (c) such certificates, opinions, receipts and other documents, including original counterparts or certified copies of the Bond Indenture, Loan Agreement, the Tax Compliance Agreement, the Mortgage and such other documents as we have deemed necessary. In making the aforesaid examinations, we have assumed and relied upon the truth, completeness, authenticity and due authorization of all documents and certificates examined and of the authenticity of all the signatures thereon and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation. In addition, we have assumed that all documents submitted to us as copies conform to the originals thereof. We have also assumed that the documents referred to herein have been duly authorized by all parties thereto other than the Authority and are, where appropriate, legally binding obligations of, and enforceable in accordance with their terms against all parties, except the Authority, and that the actions required to be taken with consent required to be obtained by such parties, have or will be taken or obtained.

In rendering this opinion, we have also assumed that the parties to the documents referred to herein, other than the Authority, have acted in full compliance with the terms of applicable laws, regulations and orders. We have relied upon the opinion of Lamb McErlane, PC, West Chester, Pennsylvania, Counsel to the Authority, dated the date hereof, to the effect that the Authority is a public instrumentality and a body corporate and politic duly organized and existing under the Constitution and laws of the Commonwealth.

We have also relied upon the opinion of Obermayer Rebman Maxwell & Hippell LLP, Counsel to the Borrower, dated the date hereof to the effect that, among other matters, (a) the Borrower is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code and (b) the Borrower is not a "private foundation" within the meaning of Section 509(a) of the Code.

We have assumed that each party to the Bond Documents will carry out all obligations imposed on such party by the Bond Documents in accordance with the terms thereof and that all representations and certifications contained in the Bond Documents are accurate, true and complete.

On the basis of the foregoing and subject to the qualifications stated herein, we are of the opinion that, under existing law, as presently enacted and construed:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth, and has the power and authority to execute and deliver the Bond Indenture and the Loan Agreement and to issue and deliver the Bonds.

2. The Bond Indenture the Loan Agreement have each been duly authorized, executed and delivered by the Authority and the obligations of the Authority under each of the Bond Indenture and the Loan Agreement constitute binding obligations of the Authority, enforceable against the Authority in accordance with its terms.

3. The Bonds have been duly authorized, executed, issued and delivered by the Authority and are the binding limited obligations of the Authority and are enforceable against the Authority in accordance with their terms.

4. Under the laws of the Commonwealth, as presently enacted and construed on the date hereof, the Bonds are exempt from personal property taxes in the Commonwealth and interest on the Bonds is exempt from Commonwealth personal income and corporate net income tax.

5. Interest on the 2024A Bonds (including original issue discount, if any, properly allocated to a holder thereof) is excluded from the gross income of the owner of the Bonds for federal income tax purposes under existing law, as currently enacted and construed. Interest on the 2024A Bonds is not an item of tax preference for purposes of the federal individual alternative minimum tax.

In providing this opinion, we advise you that it may be determined in the future that interest on the 2024A Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the 2024A Bonds for federal income tax purposes if certain requirements of the Code are not met. The Authority and the Borrower have covenanted in the Agreement and the Tax Compliance Agreement to comply with such requirements.

The purchasers of the Bonds should consult their own tax advisor as to collateral state or federal income tax consequences. We express no opinion regarding state or federal tax consequences arising with respect to the Bonds other than as expressly set forth in numbered paragraphs 4 and 5 hereof.

We express no opinion herein with respect to the perfection or priority of any lien or security interest or any other matter not set forth herein. We call your attention to the fact that the Bonds are special, limited obligations of the Authority, payable only out of certain revenues of the Authority and certain other monies available therefor as provided in the Bonds, and that the Bonds do not pledge the credit or taxing power of the Authority, the County of Chester, the Commonwealth or any political subdivision, agency or instrumentality thereof. The Authority has no taxing power.

Our opinions as to the validity, binding effect and enforceability of the Bond Indenture, the Loan Agreement, and the Bonds are subject to the effect of any applicable bankruptcy,

fraudulent conveyance or transfer, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity, at law, or in bankruptcy).

These opinions are rendered on the basis of the laws of the Commonwealth and, as to numbered paragraph 5 hereof only, federal law, in both instances as enacted and construed on the date hereof. We express no opinion as to, and we assume no responsibility for, any matter or information not set forth in the numbered paragraphs above.

We undertake no obligation to supplement this opinion at any time to reflect events, occurrences and changes of law following the date of delivery of the Bonds. We express no opinion on, and do not undertake to render an opinion in the future on, any event which requires, as a condition precedent to such event, that bond counsel render an opinion to the effect that such event will not cause interest on the 2024A Bonds to be included in gross income for federal income tax purposes. Furthermore, no assurance can be given that any such opinion can, or could in the future, be rendered.

Very truly yours,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

$85,100,000
Chester County Industrial Development Authority

$82,920,000
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024A

CUSIP: 16559PBU8

$2,180,000
Student Housing Revenue Bonds
(University Student Housing, LLC Project at West Chester University of Pennsylvania)
Series 2024B (Federally Taxable)

CUSIP: 16559PBV6

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of October 1, 2024, is executed and delivered by University Student Housing, LLC (the "Borrower") and TD Bank, National Association as dissemination agent (the "Dissemination Agent"), in connection with the issuance of $82,920,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024A (the "Series A Bonds") and $2,180,000 Student Housing Revenue Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania), Series 2024B (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds"). The Bonds were issued pursuant to an Indenture of Trust, dated as of October 1, 2024 (the "Indenture"), between the Chester County Industrial Development Authority (the "Issuer") and TD Bank, National Association, as trustee (the "Trustee").

The proceeds of the sale of the Bonds are being applied by the Issuer to make a loan to the Borrower pursuant to the terms and conditions of a Loan Agreement dated as of October 1, 2024 between the Issuer and the Borrower (the "Loan Agreement"). The Bonds are being issued to provide funds, together with other available funds, to finance (i) the current refunding of all of the Issuer's Student Housing Revenue Refunding Bonds (University Student Housing, LLC Project at West Chester University of Pennsylvania) Series 2008A-1 and Series 2008 A-2 (the "Refunding Bonds"); (ii) miscellaneous capital expenditures within and for the benefit of students attending West Chester University of Pennsylvania of the Pennsylvania State System of Higher Education (the "New Money Project"), including, but not limited to the construction, repair, renovation, and replacement of furnishings, interior bathrooms, HVAC systems and other interior and exterior improvements of two on-campus student-residence buildings of the Borrower known as Allegheny Hall and Brandywine Hall (the "Student Housing Facilities"); (iii) necessary reserves, including the funding of all or a portion of debt service reserves; (iv) appropriate credit enhancement or bond insurance, if needed or desired, (v) all or a portion of any termination or settlement amount that may be due as the result of terminating the interest rate swap agreement and total return swap entered into in connection with the Refunded Bonds; and (vi) paying the costs of issuance of the Bonds (collectively (i) through (vi) is defined as the "Project").

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 Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to comply with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided

or required under this Disclosure Agreement, and has no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Disclosure Agreement, unless the context clearly otherwise requires. Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

"*Additional Reports*" means, collectively, the Budget Report, the Occupancy Reports and the Quarterly Reports.

"*Annual Financial Information*" means the financial information and operating data described in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the audited financial statements of the Borrower relating to the Project, if any, prepared pursuant to the standards and as described in Exhibit I.

"*Budget Report*" means the report required to be provided by the Borrower pursuant to and in accordance with Section 5(c) of this Disclosure Agreement.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation, and such agent's successors and assigns. The initial Dissemination Agent is TD Bank, National Association

"*EMMA*" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*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). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Material Event*" means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

"*Material Events Disclosure*" means dissemination of a notice of a Material Event as set forth in Section 5.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Occupancy Reports*" means the reports required to be provided by the Borrower pursuant to and in accordance with Section 5(b) of this Disclosure Agreement.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Bonds and Raymond James & Associates, Inc. in its capacity as underwriter for the Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Quarterly Financial Statements*" means financial statements of the Borrower for the Student Housing Facilities for a fiscal quarter, which shall be internally prepared by the Borrower in accordance with generally accepted accounting principles, but which need not be audited financial statements.

"*Quarterly Reports*" means the quarterly reports required to be provided by the Borrower with respect to each of the fiscal quarters of each fiscal year of the Borrower pursuant to and in accordance with Section 5(a) of this Disclosure Agreement.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*State*" means the Commonwealth of Pennsylvania.

"*Undertaking*" means the obligations of the Borrower pursuant to Sections 4, 5 and 6.

Section 3. CUSIP Number. The CUSIP Number of the Series A Bond with the latest maturity is 16559PBU8 and the CUSIP Number of the Series B Bonds with the latest maturity is 16559PBV6.

Section 4. Annual Financial Information Disclosure. Subject to Section 10 of this Disclosure Agreement, the Borrower hereby covenants that it will, or will direct the Dissemination Agent to, disseminate the Annual Financial Information to the MSRB not later 120 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending in 2025. The Borrower further covenants that it will, or will direct the Dissemination Agent to, disseminate the Audited Financial Statements to the MSRB not later than 120 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending in 2025. Not later than 5 business days prior to each said date, the Borrower shall provide the Annual Financial Information and the Audited Financial Statements, if any, to the Dissemination Agent. In each case, the Annual Financial Information and the Audited Financial Statements, if any, may be submitted as a single document or as separate documents comprising a package.

If by 5 days prior to each date specified above for providing the Annual Financial Information and the Audited Financial Statements to the MSRB, the Dissemination Agent has not received a copy of the Annual Financial Information and the Audited Financial Statements, the Dissemination Agent shall contact the Borrower to determine if the Borrower is in compliance with this Section 4.

If the Dissemination Agent is unable to verify that the Annual Financial Information and the Audited Financial Statements have been provided to the MSRB by the dates required in this Section 4, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

The Dissemination Agent shall file a report with the Borrower and the Trustee (if different than the Dissemination Agent) certifying whether it has received and provided the Annual Financial Information and the Audited Financial Statements pursuant to this Disclosure Agreement, and if it has received the

Annual Financial Information and the Audited Financial Statements from the Borrower, stating the dates it was provided to the MSRB.

The Borrower is required to deliver or cause to be delivered such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Borrower will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Provision of Additional Reports.

(a) The Borrower shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than sixty (60) days after the end of the Borrower's fiscal quarters, commencing with the report for the fiscal quarter ending December 31, 2024, unaudited Quarterly Financial Statements for the Student Housing Facilities. If the fiscal quarters of the Borrower change, the Borrower shall notify the Dissemination Agent, the Trustee and the Issuer in writing of such change.

(b) The Borrower shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than sixty (60) days after each February 1 and October 1, commencing with February 1, 2025, a report stating (i) the occupancy and rent levels by unit type for the Borrower's housing facilities relating to the current semester and (ii) the occupancy levels by building for the University's housing facilities relating to the current semester received by the Borrower from the University.

(c) The Borrower shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than July 1 of each year, commencing July 1, 2025, the annual budget for the Student Housing Facilities.

(d) Not later than five (5) Business Days prior to the date specified in subsections (a), (b) and (c) for providing the Quarterly Reports, Occupancy Reports or Budget Report to the MSRB, the Borrower shall provide such Quarterly Reports, Occupancy Reports or Budget Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of any of the Quarterly Reports, Occupancy Reports and/or Budget Report, the Dissemination Agent shall contact the Borrower to determine if the Borrower is in compliance with subsections (a), (b) or (c) above, as applicable.

(e) If the Dissemination Agent is unable to verify that any Quarterly Report, Occupancy Report or Budget Report, as applicable, has been provided to the MSRB by the dates required in subsections (a), (b) or (c) above, as applicable, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A, with a copy to the Issuer and the Borrower.

(f) The Dissemination Agent shall, if and to the extent the Borrower has provided the Quarterly Reports, Occupancy Reports or Budget Report to the Dissemination Agent, file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Quarterly Reports, Occupancy Reports or Budget Report, as applicable, has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

Section 6. Material Events Disclosure. Subject to Section 10 of this Disclosure Agreement, the Borrower hereby covenants that it will disseminate or cause the Dissemination Agent to disseminate, in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption is given to the owners of the Bonds pursuant to the Indenture. The Borrower is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Disclosure Agreement.

Section 7. Duty To Update EMMA/MSRB. The Borrower and the Dissemination Agent shall each determine, in the manner each deems appropriate, whether there has occurred a change in the MSRB's filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 8. Consequences of Failure of the Borrower To Provide Information. The Borrower (or the Dissemination Agent, as and to the extent provided in Sections 4 and 5) shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure or any Additional Reports when the same is due hereunder.

In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, the Trustee, subject to prior receipt of indemnification satisfactory to it and payment of its fees and expenses, including fees and expenses of its counsel (whether incurred before trial, at trial, on appeal or in any bankruptcy or arbitration proceeding), at the written request of the Issuer or the holders of a majority of the aggregate principal amount of Outstanding Bonds, shall, or any Bondholder 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 Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower to comply with this Disclosure Agreement shall be an action to compel performance.

Section 9. Amendments; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Borrower or type of business conducted;

(b) This Disclosure Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances in the opinion of counsel expert in federal securities laws acceptable to the Borrower, the Issuer and the Dissemination Agent; and

(c) The amendment or waiver does not materially impair the interests of the holders of the Bonds (in determining whether an amendment or waiver does not materially impair the interests of the holders of the Bonds the Dissemination Agent and the Authority shall be entitled to receive and rely on an opinion of counsel); or

(d) The amendment or waiver is otherwise permitted by the Rule in the opinion of counsel expert in federal securities laws acceptable to the Borrower, the Issuer and the Dissemination Agent.

Section 10. Termination of Undertaking. The Undertaking of the Borrower shall be terminated hereunder when the Borrower shall no longer have any legal liability for any obligation on or relating to the repayment of the Bonds. The Borrower shall give notice to, or shall cause notice to be given to, the MSRB in a timely manner and in Prescribed Form if this Section is applicable. If the Borrower's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower and the original Borrower shall have no further responsibility hereunder. The Borrower shall not transfer its rights and obligations under the Loan Agreement unless the transferee agrees to assume the obligations of the Borrower hereunder.

Section 11. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such agent, or such Dissemination Agent may resign upon 30 days' prior written notice to the Borrower, with or without the Borrower appointing a successor Dissemination Agent. The Dissemination Agent shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses (including fees and expenses of its counsel).

Section 12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or Additional Reports or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall not have any obligation under this Disclosure Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, if any, the Issuer, the Trustee and the holders of the Bonds, and shall create no rights in any other person or entity.

Section 14. Recordkeeping. The Borrower and, to the extent submitted by the Dissemination Agent, the Dissemination Agent, shall maintain records of all Annual Financial Information Disclosure and Additional Reports and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the dates of filing such disclosure.

Section 15. Past Compliance. The Borrower represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 16. Duties, Immunities and Liabilities of Dissemination Agent. Provided the Trustee is acting as Dissemination Agent, the indemnification provisions of the Indenture are hereby made

applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Issuer, the Trustee and Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Issuer and the Trustee thereunder. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses including attorneys fees (whether incurred before trial, at trial, on appeal or in any bankruptcy or arbitration proceeding) incurred in performing its duties hereunder and in defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and the Trustee and payment of the Bonds. The Dissemination Agent shall have no obligation or liability for the accuracy or completeness of any Additional Reports, Annual Financial Information or Audited Financial Statements, Quarterly Financial Information or Material Events Disclosure provided in accordance with Sections 4 and 5 hereunder, and no obligation to review or make any determination of materiality hereunder. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Borrower, the holders of the Bonds, or any other party. None of the Issuer, the Trustee or the Dissemination Agent shall have any liability to the holders of the Bonds or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from this Disclosure Agreement.

Section 17. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have executed this Disclosure Agreement under seal on the date and year first written above.

UNIVERSITY STUDENT HOUSING, LLC

By _____
Name _____
Title _____

By _____
Name _____
Title _____

TD BANK, NATIONAL ASSOCIATION, as
Dissemination Agent

By _____
Name _____
Title _____

[Signature Page to Disclosure Agreement]

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

Annual Financial Information

Annual Financial Information shall consist of the following operating data and financial information:

1. Enrollment data and application, acceptance and matriculation statistics for the prior academic year in substantially the scope contained under the heading "THE UNIVERSITY—Enrollment Information" in the official statement dated October 17, 2024 with respect to the Bonds (the "Official Statement");

2. Rents for all campus housing on the University campus in substantially the scope contained under the heading "THE UNIVERSITY—Current University Housing Program" in the Official Statement; and

3. Debt Service Coverage Ratio calculation (if not included in the Audited Financial Statements).

All or a portion of the Annual Financial Information or Audited Financial Statements (described below) may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Borrower shall clearly identify each such item of information included by reference.

Audited Financial Statements

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Borrower.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.

2. Non-payment-related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. 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 security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Borrower*.

13. 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.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Borrower, 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.

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*This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing 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.

16. 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.

17. The exercise or receipt of notice of intent to exercise any purchase option granted the University in the Ground Lease.

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE REPORT

Name of Issuer: Chester County Industrial Development Authority

Name of Bond Issue: $82,920,000 Chester County Industrial Development Authority Student Housing Revenue Bonds, Series 2024A (University Student Housing, LLC Project at West Chester University of Pennsylvania) and $2,180,000 Chester County Industrial Development Authority Student Housing Revenue Bonds, Series 2024B (University Student Housing, LLC Project at West Chester University of Pennsylvania)

Name of Borrower: University Student Housing, LLC

Date of Issuance: October 31, 2024

NOTICE IS HEREBY GIVEN that the Borrower has not provided an [Annual Financial Information Disclosure] [Additional Report] with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of October 1, 2024 between University Student Housing, LLC and TD Bank, National Association, as Dissemination Agent. [The Borrower has notified the Dissemination Agent that the Borrower anticipates the [Annual Financial Information Disclosure] [Additional Report] will be filed by _____.]

Dated: _____.

TD BANK, NATIONAL ASSOCIATION, on behalf of University Student Housing, LLC

By _____
Name _____
Title _____

cc: University Student Housing, LLC

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APPENDIX H

DEBT SERVICE SCHEDULE

Maturity Date	Series 2024A Principal	Series 2024A Interest	Series 2024A Total	Series 2024B Principal	Series 2024B Interest	Series 2024B Total	Aggregate Debt Service
8/1/2025	$ -	$2,788,966.39	$2,788,966.39	$ -	$85,334.89	$85,334.89	$2,874,301.28
8/1/2026	1,350,000.00	3,704,900.00	5,054,900.00	505,000.00	113,360.00	618,360.00	5,673,260.00
8/1/2027	1,675,000.00	3,637,400.00	5,312,400.00	530,000.00	87,100.00	617,100.00	5,929,500.00
8/1/2028	1,755,000.00	3,553,650.00	5,308,650.00	560,000.00	59,540.00	619,540.00	5,928,190.00
8/1/2029	1,850,000.00	3,465,900.00	5,315,900.00	585,000.00	30,420.00	615,420.00	5,931,320.00
8/1/2030	2,560,000.00	3,373,400.00	5,933,400.00	-	-	-	5,933,400.00
8/1/2031	2,685,000.00	3,245,400.00	5,930,400.00	-	-	-	5,930,400.00
8/1/2032	2,820,000.00	3,111,150.00	5,931,150.00	-	-	-	5,931,150.00
8/1/2033	2,960,000.00	2,970,150.00	5,930,150.00	-	-	-	5,930,150.00
8/1/2034	3,110,000.00	2,822,150.00	5,932,150.00	-	-	-	5,932,150.00
8/1/2035	3,265,000.00	2,666,650.00	5,931,650.00	-	-	-	5,931,650.00
8/1/2036	3,430,000.00	2,503,400.00	5,933,400.00	-	-	-	5,933,400.00
8/1/2037	3,600,000.00	2,331,900.00	5,931,900.00	-	-	-	5,931,900.00
8/1/2038	3,780,000.00	2,151,900.00	5,931,900.00	-	-	-	5,931,900.00
8/1/2039	3,970,000.00	1,962,900.00	5,932,900.00	-	-	-	5,932,900.00
8/1/2040	4,165,000.00	1,764,400.00	5,929,400.00	-	-	-	5,929,400.00
8/1/2041	4,335,000.00	1,597,800.00	5,932,800.00	-	-	-	5,932,800.00
8/1/2042	4,510,000.00	1,424,400.00	5,934,400.00	-	-	-	5,934,400.00
8/1/2043	4,690,000.00	1,244,000.00	5,934,000.00	-	-	-	5,934,000.00
8/1/2044	4,875,000.00	1,056,400.00	5,931,400.00	-	-	-	5,931,400.00
8/1/2045	5,070,000.00	861,400.00	5,931,400.00	-	-	-	5,931,400.00
8/1/2046	5,275,000.00	658,600.00	5,933,600.00	-	-	-	5,933,600.00
8/1/2047	5,485,000.00	447,600.00	5,932,600.00	-	-	-	5,932,600.00
8/1/2048	5,705,000.00	228,200.00	5,933,200.00	-	-	-	5,933,200.00
Totals	$82,920,000.00	$53,572,616.39	$136,492,616.39	$2,180,000.00	$375,754.89	$2,555,754.89	$139,048,371.28

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APPENDIX I

MARKET STUDY

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A Student Housing Market Overview in the City of West Chester, Pennsylvania

Prepared For:
Ms. Christina Gerenza
West Chester University Foundation
& University Student Housing
202 Carter Drive
West Chester, Pennsylvania 19382

Project Number CH1407
August 5, 2024

Danter and Associates, LLC
National Leaders in Real Estate Research
2760 Airport Drive| Suite 135
Columbus, OH 43219
614.221.9096
http://www.danter.com

STUDENT HOUSING MARKET OVERVIEW

A. INTRODUCTION

This Student Housing Market Overview represents an overall preliminary assessment of the student rental housing market near the West Chester University (WCU) campus in the City of West Chester, Pennsylvania. This preliminary assessment should not be interpreted as, or substituted for, a fully documented market feasibility study.

Our assessment will include an overview of the off-campus apartment properties impacted by WCU students and include a narrative of enrollment trends for on-campus student housing alternatives to determine preliminary student housing demand.

Using several resources such as Danter and Associates, LLC internal apartment database, internet websites, and telephone interviews with area apartment managers, we have identified and obtained information on 23 apartment properties generally within 4.5 miles from the WCU campus. Included in this total is one purpose-built student housing property, the 128-unit (459 beds) The Edge at West Chester.

B. EXISTING STUDENT HOUSING ALTERNATIVES

1. OFF-CAMPUS APARTMENTS

A total of 3,951 conventional apartment units in 23 projects were identified and telephone surveyed in the West Chester area. Following is a distribution of market-rate units surveyed by unit type and vacancy rate:

DISTRIBUTION OF UNIT TYPE AND VACANCY RATE
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

UNIT TYPE	MARKET-RATE UNITS		VACANCY RATE
	NUMBER	PERCENT	
Studio	167	4.2%	0.6%
One-Bedroom	1,681	42.5%	1.6%
Two-Bedroom	1,810	45.8%	1.9%
Three-Bedroom	193	4.9%	7.3%
Four-Bedroom	100	2.5%	0.0%
Total	3,951	100.0%	1.9%

The overall vacancy rate of 1.9% is extremely low and would indicate that the market is limited by supply rather than lacking in demand.

Although just over 60% of the apartment properties in the area were constructed and opened prior to 2000, median rents are considered high.

A comparison of median and upper-quartile rents, which have been adjusted to include all utilities, and vacancies by each unit type follows:

MEDIAN AND UPPER-QUARTILE RENTS AND VACANCIES WEST CHESTER, PENNSYLVANIA AREA OFF-CAMPUS APARTMENTS JULY 2024

UNIT TYPE	MEDIAN RENTS	OVERALL VACANCY RATE	UPPER-QUARTILE		
			RENT RANGE	NUMBER OF UNITS	VACANCY RATE
Studio	$1,828	0.6%	$1,998-$2,081	42	0.0%
One-Bedroom	$1,966	1.6%	$2,292-$4,092	420	1.0%
Two-Bedroom	$2,281	1.9%	$2,566-$4,539	453	3.3%
Three-Bedroom	$3,143	7.3%	$3,623-$4,212	48	10.4%
Four-Bedroom	$5,660	0.0%	$5,660	25	0.0%

A distribution of amenities for the 23 apartment properties follows:

DISTRIBUTION OF AMENITIES
BY PROJECT
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

AMENITY	TOTAL NUMBER OF PROJECTS* (OUT OF 23)	SHARE OF PROJECTS WITH AMENITY
Range	23	100.0%
Refrigerator	23	100.0%
Air Conditioning	23	100.0%
Carpet/Faux-Wood Floors	23	100.0%
Dishwasher	22	95.7%
Disposal	22	95.7%
Window Coverings	21	91.3%
Microwave	20	87.0%
Fitness Center	19	82.6%
On-Site Management	19	82.6%
Balcony/Patio	17	73.9%
Washer/Dryer	16	69.6%
Picnic/BBQ Area	16	69.6%
Washer/Dryer Hookups	15	65.2%
Intercom Security/Security System	14	60.9%
Swimming Pool	12	52.2%
Community Building	12	52.2%
Vaulted/9' Ceilings	11	47.8%
Granite/Quartz Counters	11	47.8%
Stainless Appliances	11	47.8%
Central Laundry Facilities	10	43.5%
Elevator	9	39.1%
Business Center	7	30.4%
Ceiling Fan	6	26.1%
Playground	6	26.1%
Garage	5	21.7%
Sports Court	3	13.0%
Fireplace	2	8.7%
Carport	2	8.7%
Security Gate	2	8.7%
Tennis Court	1	4.3%
Jog/Bike Trail	1	4.3%

*Includes properties in which some or all of the units contain the amenity.

A field survey of the 23 identified apartment properties has been included as an addendum to this student housing market overview near the West Chester University campus.

2. ON-CAMPUS HOUSING

The on-campus housing at West Chester University (WCU) includes both WCU managed and United Student Housing (USH) affiliated housing among eight residence halls and four apartment properties. The overall housing capacity on WCU's north and south campuses totals 5,376 students and during spring 2024 semester, the on-campus housing operated at 98.7% occupancy.

The following is a summary of the per semester room rates for the residence halls and apartments on the WCU campus for the 2024-2025 academic year:

RESIDENCE HALL	YEAR BUILT/ RENOVATED	STUDENT CAPACITY	FEES PER SEMESTER	NOTES
Goshen Hall	1966	556	$3,324 (Double) $2,216 (Triple)	WCU Managed Housing
Tyson Hall	1962	556	$3,324 (Double) $2,216 (Triple)	WCU Managed Housing
Killinger Hall	1959	302	$3,324 (Double)	WCU Managed Housing
Schmidt Hall	1970	419	$3,324 (Double)	WCU Managed Housing
College Arms Apartments	N/A	97	Studio/1BA: $5,272 (Single) 1BR/1BA: $5,272 (Single) 1BR/1BA: $4,833 (Double) 2BR/1BA: $4,392 (Triple) 2BR/1BA: $4,063 (Double) 1BR/1BA: $3,734 (Triple) Studio/1BA: $3,403 (Quad)	WCU Managed Housing
South Campus Apartments	N/A	484	$3,960 (Single) $3,636 (Double)	WCU Managed Housing
Allegheny Hall	2008	636	1BR/1BA: $5,558 (Double)* 2BR/1BA: $5,910 (Single) 2BR/2BA: $5,810 (Double) 3BR/2BA: $5,180 (Double)*	Subject Property; USH Housing
Brandywine Hall	2008	622	1BR/1BA: $5,558 (Double)* 2BR/1BA: $5,910 (Single) 2BR/2BA: $5,810 (Double) 3BR/2BA: $5,180 (Double)*	Subject Property; USH Housing
University Hall	2004	265	2BR/1BA: $5,692 (Single)* 2BR/2BA: $5,398 (Double) 3BR/1BA: $5,544 (Single)*	USH Affiliated Housing
Commonwealth Hall	2014	651	1BR/1BA: $5,558 (Double)* 2BR/1BA: $5,910 (Single) 3BR/2BA: $5,180 (Double)* 2BR/1BA: $5,091 (Double)* Studio/1BA: $6,121 (Single)*	USH Affiliated Housing
East Village Apartments	2013	264	4BR/2BA: $5,946	USH Affiliated Housing
The Village Apartments	2004	524	4BR/@BA: $5,946	USH Affiliated Housing
	Total	5,376		

*No living area
N/A – Not available

The following are the typical features and amenities offered in each of the on-campus housing options:

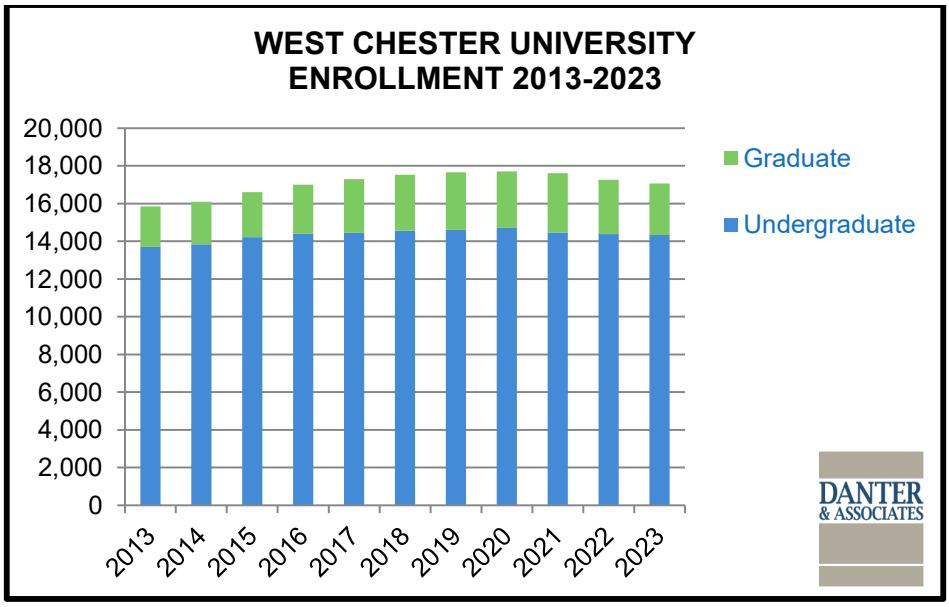
- Extra-long twin bed & mattress (in suites)
- Double bed & mattress (in apartments)
- Desk and chair
- Dresser
- Closet or wardrobe
- Wireless internet (RamNet)
- Secured, key access
- Wall or central air conditioning
- Active WCU Residence Life Program
- Central laundry facilities
- Full community kitchens or kitchenettes
- Study lounges
- Social & TV lounges
- Game room
- Computer lab with printers
- Fitness center (in some)
- Movie theater (in some)
- Yoga/dance studio (in some)
- Full kitchens (in the four apartments)
- In-unit washer/dryers (East Village & The Villages)

There are six meal plan options to choose from and are summarized as follows:

MEAL PLAN	2024-2025 FEES (PER SEMESTER)
The Unlimited Plan (Unlimited Meals, $250 Flex Dollars, & 5 Guest Meals)	$2,235
The Golden Plan (14 Meals/Week, $250 Flex Dollars, & 5 Guest Meals)	$1,787
The Purple Plan (10 Meals/Week, $300 Flex Dollars, & 5 Guest Meals)	$1,644
Block 120 Plan (120 Meals/Semester & $350 Flex Dollars)	$1,461
Block 75 Plan (75 Meals/Semester & $350 Flex Dollars)	$1,084
Block 30 Plan (30 Meals/Semester & $350 Flex Dollars)	$746

C. UNIVERSITY ENROLLMENT

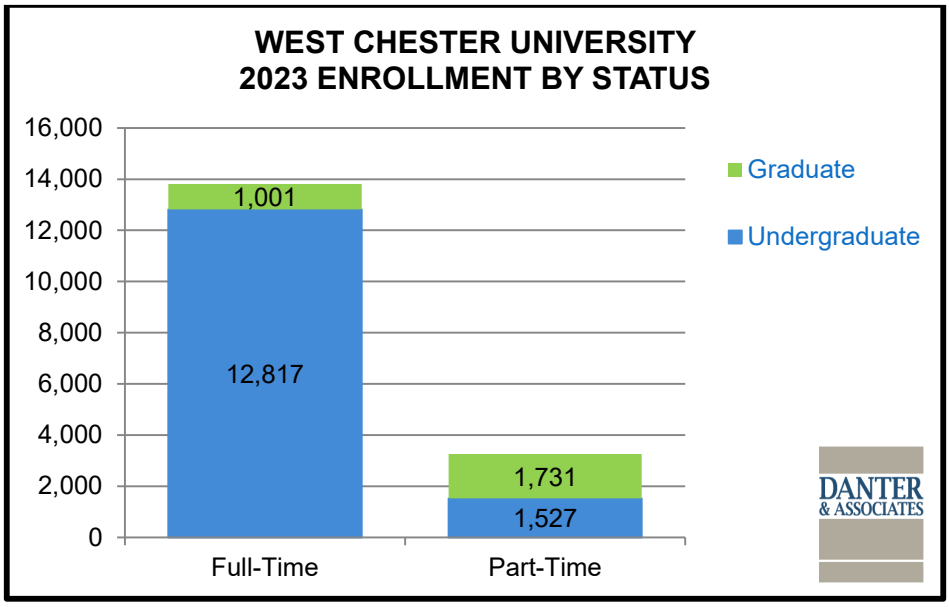
The following table is a summary of undergraduate and graduate enrollment for the fall semesters at West Chester University (WCU) between 2013 and 2023:



CLASSIFICATION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Undergraduate	13,713	13,849	14,226	14,402	14,451	14,567	14,615	14,712	14,471	14,392	14,344
Graduate	2,134	2,242	2,385	2,608	2,855	2,960	3,054	3,007	3,143	2,883	2,732
Total	15,847	16,091	16,611	17,010	17,306	17,527	17,669	17,719	17,614	17,275	17,076

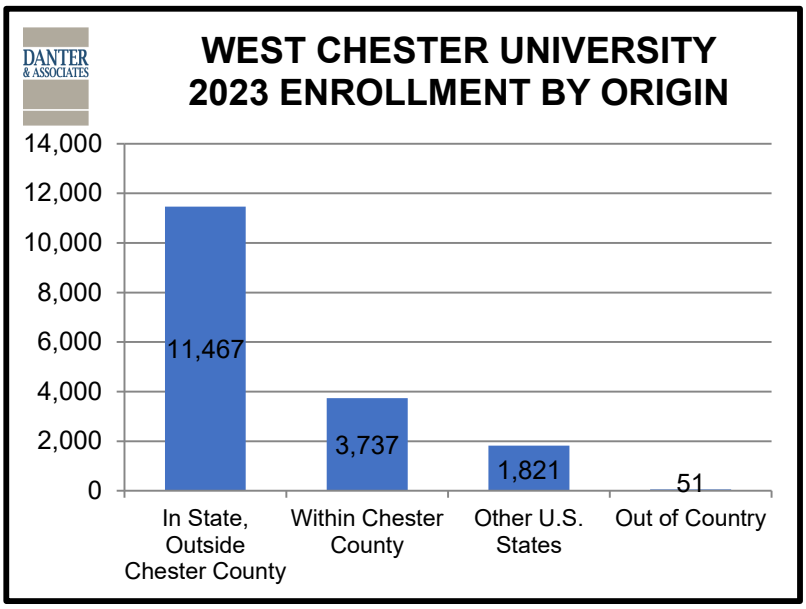
Between fall 2013 and fall 2020, enrollment at West Chester University increased each year, for an overall increase of 11.8%. However, enrollment at WCU has slightly declined in the previous three fall semesters. Overall, between fall 2013 and fall 2023, enrollment has increased 7.8%, or 0.8% on an annual basis.

The following is a summary of fall 2023 student enrollment on a full-time and part-time basis:



			DEGREE CLASSIFICATION	
	TOTAL STUDENTS	PERCENT OF STUDENTS	UNDERGRADUATES	GRADUATE
Full-Time	13,818	80.9%	12,817	1,001
Part-Time	3,258	15.8%	1,527	1,731
Total	17,076	100.0%	14,344	2,732

The following chart and table illustrate the place of origin for the fall 2023 enrollment at West Chester University:

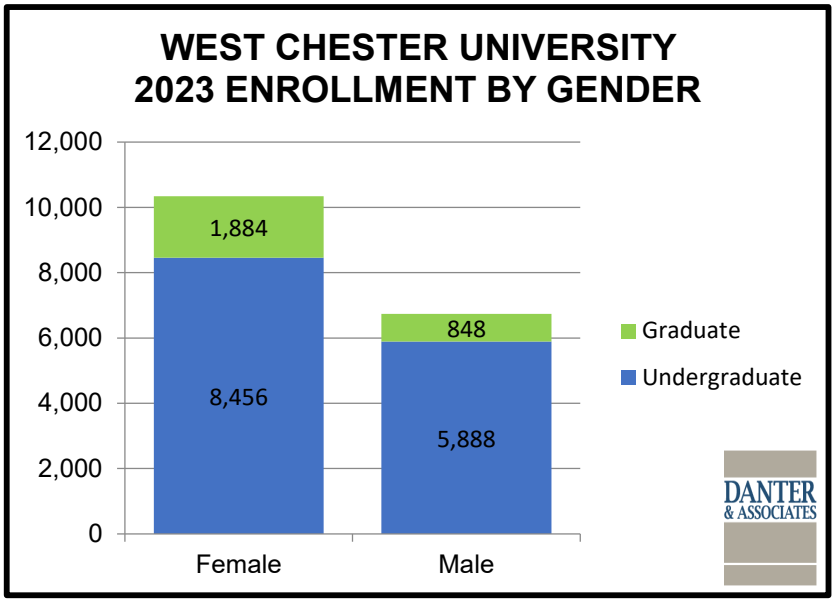


ORIGIN	TOTAL
In State, Outside Chester County	11,467
Within Chester County	3,737
Out of State	1,821
Out of Country	51
Total	17,076

Nearly 80% of the total fall 2023 enrollment was comprised of students from outside Chester County, which would indicate that a significant amount of support potential exists from the student base for rental housing near the WCU campus.

Although the number of students that commute daily to the WCU campus is unavailable, we assume a large portion of the 3,737 students from Chester County are commuters.

The following charts and tables show the fall 2023 total enrollment by gender:



	TOTAL STUDENTS	PERCENT OF STUDENTS	DEGREE CLASSIFICATION	
			UNDERGRADUATE	GRADUATE
Female	10,340	60.6%	8,456	1,884
Male	6,736	39.4%	5,888	848
Total	17,076	100.0%	14,344	2,732

D. STUDENT HOUSING DEMAND ASSESSMENT

There were 17,076 (undergraduate and graduate) students enrolled for the fall 2023 semester at West Chester University (WCU) and the current on-campus housing capacity totals 5,376 students. Thus, 11,700 students, or nearly 70% of the total, must reside in off-campus accommodations.

For this preliminary demand assessment, we have deducted the 5,376 on-campus beds from the total enrollment figures, as we anticipate that these beds will continue to be used by students.

As a result, there is a current potential resident pool of 11,700 WSU students. The following table summarizes this estimate:

STUDENT HOUSING DEMAND ANALYSIS	
Fall 2023 Enrollment	17,076
Less On-Campus Housing	5,376
Potential Resident Base	11,700
Total Purpose-Built Beds in Market	459
Total Purpose-Built Beds as a Percent Of Potential Resident Base	3.9%

The area apartment market contains only one purpose-built, off-campus student housing property, The Edge at West Chester. This property, which opened in 2004, contains a total of 459 beds and these beds represent 3.9% of the potential resident base, which is an excellent penetration rate.

Based on case studies of student housing markets throughout the U.S., an average ratio of 30% to 40% off campus beds to potential resident base is considered achievable when comparing units to the potential support base. However, the ratio of support that we consider achievable is influenced by overall market conditions, school enrollment trends, school policies/procedures, on campus housing, undergraduate and graduate ratios, as well as the property's location, amenities, and rents. Many schools, especially those in the south/southeast achieve even higher ratios, while maintaining a healthy rental market.

ADDENDUM

The following analyses represent updated data (via telephone and/or Internet) from a field survey of the modern apartments in the market area. Each development was surveyed by unit and project amenities, year opened, unit mix, vacancies, rents, and aesthetic quality. The updated data have been analyzed as follows:

- A distribution of both market-rate and government subsidized modern apartment units. The units are distributed by mix and vacancy.

- An analysis of multifamily construction trends, which includes number of units, number of projects, percent distribution, cumulative units, and vacancy rate by year built.

- A rent and vacancy analysis, which contains distributions of units and vacancies by net rent range. A separate distribution appears for units by number of bedrooms.

- A project information analysis listing the name and address of each development, its occupancy, and year opened. Any unique features are noted by the analyst.

- A street rent comparison listing rents by unit size for all market-rate developments.

- A comparability rating, assigning point values for unit amenities, project amenities, and overall aesthetic appeal/curbside marketability.

- Amenity analyses, including the following:
  - A unit amenity analyses listing the unit amenities for each property
  - A project amenity analysis listing the project amenities for each development.
  - A distribution of amenities by number of units and properties offering that amenity.

- A unit type/utility detail analysis with units offered and utilities available, including responsibility for payment.

- Rent/square foot

DISTRIBUTION OF
MODERN APARTMENT UNITS
AND VACANCIES
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MARKET RATE UNITS

UNIT TYPE	UNITS		VACANCIES	
	NUMBER	PERCENT	NUMBER	PERCENT
STUDIO	167	4.2%	1	0.6%
ONE-BEDROOM	1,681	42.5%	27	1.6%
TWO-BEDROOM	1,810	45.8%	35	1.9%
THREE-BEDROOM	193	4.9%	14	7.3%
FOUR-BEDROOM +	100	2.5%	0	0.0%
TOTAL	**3,951**	**100.0%**	**77**	**1.9%**

MARKET-RATE MULTIFAMILY
CONSTRUCTION TRENDS
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

YEAR OF PROJECT OPENING	NUMBER OF PROJECTS	NUMBER OF UNITS	PERCENT DISTRIBUTION	CUMULATIVE UNITS	JULY 2024 VACANCY RATE
Before 1970	6	1,156	29.3%	1,156	2.2%
1970 - 1979	4	717	18.1%	1,873	1.8%
1980 - 1989	2	505	12.8%	2,378	0.0%
1990 - 1999	2	465	11.8%	2,843	6.7%
2000 - 2009	2	192	4.9%	3,035	0.0%
2010	0	0	0.0%	3,035	0.0%
2011	0	0	0.0%	3,035	0.0%
2012	1	231	5.8%	3,266	1.3%
2013	0	0	0.0%	3,266	0.0%
2014	2	123	3.1%	3,389	0.0%
2015	2	152	3.8%	3,541	2.0%
2016	1	205	5.2%	3,746	0.5%
2017	0	0	0.0%	3,746	0.0%
2018	0	0	0.0%	3,746	0.0%
2019	0	0	0.0%	3,746	0.0%
2020	0	0	0.0%	3,746	0.0%
2021	1	205	5.2%	3,951	0.0%
2022	0	0	0.0%	3,951	0.0%
2023	0	0	0.0%	3,951	0.0%
2024*	0	0	0.0%	3,951	0.0%
TOTAL:	**23**	**3,951**	**100.0 %**	**3,951**	**1.9%**

AVERAGE ANNUAL RELEASE OF UNITS 2019 - 2023: 41

* THROUGH JULY 2024

DANTER & ASSOCIATES

RENT AND VACANCY ANALYSIS
STUDIO UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	**NUMBER**	**PERCENT**	**NUMBER**	**PERCENT**
$2081	28	16.8%	0	0.0%
$1998	20	12.0%	0	0.0%
$1951	28	16.8%	0	0.0%
$1828	20	12.0%	0	0.0%
$1796	19	11.4%	1	5.3%
$1663	5	3.0%	0	0.0%
$1615	5	3.0%	0	0.0%
$1589	13	7.8%	0	0.0%
$1544 - $1546	24	14.4%	0	0.0%
$1498	5	3.0%	0	0.0%
TOTAL	**167**	**100.0%**	**1**	**0.6%**

Median Collected Rent: $1,828

RENT AND VACANCY ANALYSIS
ONE BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$4092	80	4.8%	0	0.0%
$2662 - $2678	67	4.0%	1	1.5%
$2617	71	4.2%	2	2.8%
$2562	12	0.7%	0	0.0%
$2442	65	3.9%	0	0.0%
$2317 - $2340	109	6.5%	2	1.8%
$2292	80	4.8%	0	0.0%
$2191	39	2.3%	1	2.6%
$2087 - $2108	183	10.9%	1	0.5%
$2052	64	3.8%	0	0.0%
$2011	22	1.3%	0	0.0%
$1952 - $1968	186	11.1%	3	1.6%
$1907 - $1924	147	8.7%	4	2.7%
$1892	15	0.9%	0	0.0%
$1837	40	2.4%	0	0.0%
$1783 - $1805	181	10.8%	6	3.3%
$1708	41	2.4%	1	2.4%
$1658 - $1673	119	7.1%	4	3.4%
$1647	30	1.8%	1	3.3%
$1612	29	1.7%	1	3.4%

RENT AND VACANCY ANALYSIS
ONE BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$1528	15	0.9%	0	0.0%
$1498	41	2.4%	0	0.0%
$1448	15	0.9%	0	0.0%
$1420	30	1.8%	0	0.0%
TOTAL	**1,681**	**100.0%**	**27**	**1.6%**

Median Collected Rent: $1,966

RENT AND VACANCY ANALYSIS
TWO BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$4539	23	1.3%	1	4.3%
$3351	4	0.2%	0	0.0%
$3271	34	1.9%	0	0.0%
$3122 - $3146	112	6.2%	5	4.5%
$2948 - $2972	5	0.3%	0	0.0%
$2928 - $2929	64	3.5%	3	4.7%
$2851 - $2871	81	4.5%	2	2.5%
$2737	16	0.9%	0	0.0%
$2674	28	1.5%	3	10.7%
$2566	128	7.1%	4	3.1%
$2473	55	3.0%	2	3.6%
$2436 - $2437	96	5.3%	1	1.0%
$2387	61	3.4%	1	1.6%
$2337 - $2342	188	10.4%	3	1.6%
$2316	4	0.2%	0	0.0%
$2272 - $2281	42	2.3%	0	0.0%
$2239 - $2241	208	11.5%	8	3.8%
$2187 - $2212	167	9.2%	0	0.0%
$2108 - $2112	126	7.0%	0	0.0%
$2025 - $2040	183	10.1%	2	1.1%

DANTER & ASSOCIATES

RENT AND VACANCY ANALYSIS
TWO BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$1983	28	1.5%	0	0.0%
$1937	34	1.9%	0	0.0%
$1903 - $1909	84	4.6%	0	0.0%
$1762	20	1.1%	0	0.0%
$1617	19	1.0%	0	0.0%
TOTAL	**1,810**	**100.0%**	**35**	**1.9%**

Median Collected Rent: $2,281

RENT AND VACANCY ANALYSIS
THREE BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$4212	7	3.6%	0	0.0%
$4062	6	3.1%	0	0.0%
$3825	11	5.7%	0	0.0%
$3623 - $3625	30	15.5%	5	16.7%
$3317	14	7.3%	0	0.0%
$3267	8	4.1%	1	12.5%
$3221	12	6.2%	1	8.3%
$3143	12	6.2%	1	8.3%
$2964	24	12.4%	0	0.0%
$2896	19	9.8%	5	26.3%
$2667	18	9.3%	1	5.6%
$2602	14	7.3%	0	0.0%
$2367	18	9.3%	0	0.0%
TOTAL	**193**	**100.0%**	**14**	**7.3%**

Median Collected Rent: $3,143

RENT AND VACANCY ANALYSIS
FOUR+ BEDROOM UNITS
WEST CHESTER, PENNSYLVANIA
JULY 2024
AREA OFF-CAMPUS APARTMENTS

	TOTAL UNITS		VACANCIES	
COLLECTED RENT	NUMBER	PERCENT	NUMBER	PERCENT
$5660	50	50.0%	0	0.0%
$5072	50	50.0%	0	0.0%
TOTAL	**100**	**100.0%**	**0**	**0.0%**

Median Collected Rent: $5,660

Rents at all properties have been adjusted to collected rent. Collected rent is defined as the utility payor details (landlord or tenant) of the subject property. For specific details on which utilities are included, please see the project conclusions.

PROJECT INFORMATION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	YEAR BUILT	TOTAL UNITS	PERCENT OCCUPIED	COMMENTS
1	THE EDGE AT WEST CHESTER 230 E. ROSEDALE AVE. WEST CHESTER PA (610) 430-6256	2004	128	100.0%	STUDENT HOUSING; FAUX-WOOD FLOORS; BILLIARDS; SAND VOLLEYBALL; COFFEE BAR; FIRE PIT AREA; PARKING PERMIT: $200/YR.
2	CAMBRIDGE HALL 500 W. ROSEDALE AVE. WEST CHESTER PA (610) 696-5140	1968	233	99.6%	35% STUDENTS; HARDWOOD FLOORS; NO DOGS
3	THE POINT AT WEST CHESTER 890 S. MATLACK ST. WEST CHESTER PA (610) 696-4800	2012	231	98.7%	FEW STUDENTS; FAUX-WOOD FLOORS; STAINLESS APPLIANCES; VALET TRASH: $25/MO.; SEE ADDITONAL COMMENTS TABLE
4	JEFFERSON AT WESTTOWN 1000 SKILES BLVD. WEST CHESTER PA (610) 628-0305	1998	253	91.3%	45% STUDENTS; 9' CEILINGS; GRANITE COUNTERS; FAUX-WOOD FLOORS; ICEMAKER; STAINLESS APPLIANCES; EXTRA STORAGE; VALET TRASH; DOG PARK; SPEAKEASY WINE ROOM
5	MARKET STREET FLATS 124 EAST MARKET STREET WEST CHESTER PA (484) 821-5275	2015	88	96.6%	SOME STUDENTS; FAUX-WOOD FLOORS; 9' CEILINGS; STAINLESS APPLIANCES; ON-SITE RETAIL; SOCIAL EVENTS; COFFEE BAR
6	CHESTNUT SQUARE 201 E. GAY ST. WEST CHESTER PA (610) 285-7223	2016	205	99.5%	SOME STUDENTS; FAUX-WOOD AND STAINED CONCRETE FLOORS; OVERSIZED WINDOWS; STAINLESS APPLIANCES; 9' CEILINGS; SEE ADDITIONAL COMMENTS TABLE

PROJECT INFORMATION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	YEAR BUILT	TOTAL UNITS	PERCENT OCCUPIED	COMMENTS
7	CHESTNUT STREET LOFTS 117 E. CHESTNUT ST. WEST CHESTER PA (484) 821-5070	2014	60	100.0%	NO STUDENTS; STAINLESS APPLIANCES; COMMUNITY WIFI; GAME ROOM; BIKE SHARE PROGRAM; PACKAGE ROOM
8	SHARPLES WORKS 300 E. EVANS ST. WEST CHESTER PA (610) 228-0425	1984	155	100.0%	RENOVATION OF HISTORIC FACTORY BUILT IN 1900; HARDWOOD FLOORS; QUARTZ COUNTERS; STAINLESS APPLIANCES; SEE ADDITIONAL COMMENTS TABLE
9	GOSHEN TERRACE 1149 KINGSWAY ROAD WEST CHESTER PA (484) 821-5340	1973	384	98.2%	
10	THE METROPOLITAN-HIGHGATE 1224 WEST CHESTER PIKE WEST CHESTER PA (610) 692-1800	1967	110	94.5%	
11	THE METROPOLITAN-EAST GOSHEN 1323 WEST CHESTER PIKE WEST CHESTER PA (484) 760-0119	1977	198	97.0%	PACKAGE RECEIVING SERVICE
12	THE METROPOLITAN-EAST GOSHEN ESTAT 36 MARY FRAN DRIVE WEST CHESTER PA (484) 760-0119	2015	64	100.0%	USB OUTLETS; GRANITE COUNTERS; FAUX-WOOD FLOORS; 9' CELINGS

PROJECT INFORMATION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	YEAR BUILT	TOTAL UNITS	PERCENT OCCUPIED	COMMENTS
13	BECKON COLLECTION 956 S. MATLACK STREET WEST CHESTER PA (267) 651-0598	2021	205	100.0%	30% STUDENTS; FAUX-WOOD FLOORS; STAINLESS APPLIANCES; 9' CEILINGS; YOGA STUDIO; GAME ROOM; BIKE STORAGE; SEE ADDITIONAL COMMENTS TABLE
14	AUDUBON POINTE 614 DOWNINGTOWN PIKE WEST CHESTER PA (484) 821-5111	2014	63	100.0%	10% STUDENTS; VALET TRASH; RESIDENTS HAVE ACCESS TO SWIMMING POOL AT GOSHEN TERRACE (MAP CODE 9)
15	TOWN'S EDGE 514-532 W. MARSHALL STREET WEST CHESTER PA (610) 436-0494	1970	69	100.0%	10% STUDENTS
16	AUDUBON MANOR 210 N. EVERHART AVENUE WEST CHESTER PA (484) 821-5131	1968	96	99.0%	RESIDENTS HAVE ACCESS TO SWIMMING POOL AT GOSHEN TERRACE (MAP CODE 9)
17	THE METROPOLITAN-WEST CHESTER 300 E. MARSHALL STREET WEST CHESTER PA (484) 787-5799	1980	350	100.0%	EXTRA STORAGE: $25/MO.; STAINLESS APPLIANCES IN SELECT UNITS; SELECT UNITS HAVE BEEN RENOVATED
18	GOLF CLUB 1100 WEST CHESTER PIKE WEST CHESTER PA (610) 895-4180	1969	399	97.0%	STAINLESS APPLIANCES IN SELECT UNITS; SELECT UNITS HAVE BEEN RENOVATED

PROJECT INFORMATION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	YEAR BUILT	TOTAL UNITS	PERCENT OCCUPIED	COMMENTS
19	ROSE HILL 1322 WEST CHESTER PIKE WEST CHESTER PA (610) 436-5249	1965	175	97.7%	BUILT IN PHASES; SWIMMING POOL FEES: $350/FAMILY; GRANITE COUNTERS & 9' CEILINGS IN SELECT UNITS; GAS HEAT INCLUDED IN SELECT UNITS
20	SPRING HOUSE AT BRANDYWINE 900 REISLING LANE WEST CHESTER PA (610) 971-7074	1998	212	95.8%	QUARTZ COUNTERS, STAINLESS APPLIANCES, & FAUX-WOOD FLOORS IN SELECT UNITS; SEE ADDITIONAL COMMENTS TABLE
21	GOSHEN MANOR 101 N. 5 POINTS ROAD WEST CHESTER PA (484) 821-5285	1965	143	98.6%	RESIDENTS HAVE ACCESS TO SWIMMING POOL AT GOSHEN TERRACE (MAP CODE 9)
22	MANOR CROSSING 700 E. MARSHALL STREET WEST CHESTER PA (610) 431-1994	1972	66	100.0%	
23	THE GREENTREE BUILDING 111 N. HIGH STREET WEST CHESTER PA (484) 742-3976	2009	64	100.0%	RENOVATION OF HISTORIC BUILDING BUILT IN 1929; 9' CEILINGS; LOUNGE AREA; BIKE SHARE PROGRAM; SELECT UNITS HAVE ELECTRIC RANGES

STREET RENT COMPARISON
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	STUDIO	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM	FOUR+ BEDROOM
1	THE EDGE AT WEST CHESTER	$1615 - $1663		$2948 - $2972	$4062 - $4212	$5072 - $5660
2	CAMBRIDGE HALL		$1290 - $1590	$1800 - $2150	$2335 - $3050	
3	THE POINT AT WEST CHESTER		$2000 - $2300	$2500 - $2900	$3200 - $3400	
4	JEFFERSON AT WESTTOWN		$1760 - $2470	$2004 - $2896	$2629 - $3356	
5	MARKET STREET FLATS		$1699 - $2354	$2199 - $2614		
6	CHESTNUT SQUARE		$2000 - $3800	$2800 - $4193		
7	CHESTNUT STREET LOFTS		$1716 - $1900			
8	SHARPLES WORKS	$1525 - $1695	$1635 - $2345	$1910 - $2980		
9	GOSHEN TERRACE		$1649 - $1735	$1868 - $2195		
10	THE METROPOLITAN-HIGHGATE		$1575 - $1770	$1970 - $2303	$2539	
11	THE METROPOLITAN-EAST GOSHEN		$1575	$1975		
12	THE METROPOLITAN-EAST GOSHEN ESTATES			$2200		
13	BECKON COLLECTION	$1648 - $1778	$1776 - $2125	$2558 - $2751		
14	AUDUBON POINTE	$1311	$1719	$1926		
15	TOWN'S EDGE		$1240 - $1320	$1380 - $1525		

SUB. = GOVERNMENT SUBSIDIZED

STREET RENT COMPARISON
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	STUDIO	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM	FOUR+ BEDROOM
16	AUDUBON MANOR		$1629	$1746 - $1788		
17	THE METROPOLITAN-WEST CHESTER		$1597 - $1900	$1875 - $2105		
18	GOLF CLUB	$1350 - $1600	$1450 - $1700	$1800 - $2100	$2100 - $2400	
19	ROSE HILL		$1500 - $1750	$1700 - $2500	$3000	
20	SPRING HOUSE AT BRANDYWINE		$1899 - $2048	$2127 - $2582	$2743 - $2821	
21	GOSHEN MANOR		$1426 - $1461	$1697 - $1703		
22	MANOR CROSSING		$1250	$1850		
23	THE GREENTREE BUILDING	$1280 - $1326	$1444 - $1724	$1852		

NOTE: Rents listed are those quoted to our field analyst for new leases. Residents on older leases or renting month-to-month may be paying more or less, depending on changes in quoted rent. Rent specials and concessions are noted in the project information section of this field survey.

SUB. = GOVERNMENT SUBSIDIZED

COMPARABILITY RATING
MODERN APARTMENT DEVELOPMENT
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT	COMPARABILITY FACTOR			
		UNIT	PROJECT	AESTHETIC	TOTAL
1	THE EDGE AT WEST CHESTER	13.0	7.5	7.5	28.0
2	CAMBRIDGE HALL	11.0	4.5	7.0	22.5
3	THE POINT AT WEST CHESTER	14.5	9.0	7.5	31.0
4	JEFFERSON AT WESTTOWN	14.0	8.0	7.5	29.5
5	MARKET STREET FLATS	14.0	5.0	7.5	26.5
6	CHESTNUT SQUARE	12.0	8.5	8.0	28.5
7	CHESTNUT STREET LOFTS	13.0	5.0	8.0	26.0
8	SHARPLES WORKS	11.0	5.0	7.0	23.0
9	GOSHEN TERRACE	9.0	7.5	7.5	24.0
10	THE METROPOLITAN-HIGHGATE	10.5	5.0	6.5	22.0
11	THE METROPOLITAN-EAST GOSHEN	10.0	5.0	7.0	22.0
12	THE METROPOLITAN-EAST GOSHEN ESTATES	13.5	3.5	8.0	25.0
13	BECKON COLLECTION	12.0	10.5	8.0	30.5
14	AUDUBON POINTE	12.0	2.5	7.5	22.0
15	TOWN'S EDGE	8.0	1.0	6.0	15.0

DANTER & ASSOCIATES

COMPARABILITY RATING
MODERN APARTMENT DEVELOPMENT
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT	COMPARABILITY FACTOR			TOTAL
		UNIT	PROJECT	AESTHETIC	
16	AUDUBON MANOR	9.0	1.0	7.0	17.0
17	THE METROPOLITAN-WEST CHESTER	9.0	5.0	6.0	20.0
18	GOLF CLUB	9.5	6.5	6.5	22.5
19	ROSE HILL	9.5	3.0	6.5	19.0
20	SPRING HOUSE AT BRANDYWINE	11.5	10.0	8.0	29.5
21	GOSHEN MANOR	8.0	4.5	6.5	19.0
22	MANOR CROSSING	9.5	2.0	6.5	18.0
23	THE GREENTREE BUILDING	8.0	3.5	7.0	18.5

Point values have been assigned for unit and project amenities. Aesthetic amenities are based on general appearance, upkeep, landscaping, etc. and are based on the judgment of the field representative.

PROJECT AMENITIES DESCRIPTION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	POOL	COMMON BUILDING	SAUNA	HOT TUB	EXERCISE ROOM	TENNIS	PLAYGROUND	SPORTS COURT	JOG/BIKE TRAIL	LAKE	PICNIC AREA	LAUNDRY	SECURITY GATE	ON-SITE MGMT	ELEVATOR	BUSINESS CENTER	SECURITY PATROL	OTHER
1	THE EDGE AT WEST CHESTER		X			X			B			X		X	X	X	X		STUDY ROOMS
2	CAMBRIDGE HALL	X				X						X	X		X				
3	THE POINT AT WEST CHESTER	X	X			X		X				X			X	X	X		GAME ROOM
4	JEFFERSON AT WESTTOWN	X	X			X		X				X			X		X		CAR WASH AREA
5	MARKET STREET FLATS					X									X	X	X		BIKE SHARE PROGRAM
6	CHESTNUT SQUARE	X	X			X						X				X			DOG RUN/WASH
7	CHESTNUT STREET LOFTS		X			X						X				X			COFFEE BAR
8	SHARPLES WORKS					X						X	X		X	X			DOG PARK
9	GOSHEN TERRACE	X	X			X		X	X	X		X	X		X		X		DOG PARK
10	THE METROPOLITAN-HIGHGATE	X	X			X						X			X				
11	THE METROPOLITAN-EAST GOSHEN	X				X						X			X				PET PARK
12	THE METROPOLITAN-EAST GOSHEN ESTATES		X			X						X			X				BIKE STORAGE

SPORTS COURT
V - VOLLEYBALL
B - BASKETBALL
R - RACQUETBALL

DANTER & ASSOCIATES

PROJECT AMENITIES DESCRIPTION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	POOL	COMMON BUILDING	SAUNA	HOT TUB	EXERCISE ROOM	TENNIS	PLAYGROUND	SPORTS COURT	JOG/BIKE TRAIL	LAKE	PICNIC AREA	LAUNDRY	SECURITY GATE	ON-SITE MGMT	ELEVATOR	BUSINESS CENTER	SECURITY PATROL	OTHER
13	BECKON COLLECTION	X	X			X						X		X	X	X			CO-WORKING SPACE
14	AUDUBON POINTE					X									X				DOG PARK
15	TOWN'S EDGE												X		X				
16	AUDUBON MANOR												X						DOG PARK
17	THE METROPOLITAN-WEST CHESTER	X				X						X			X	X			WI-FI LOUNGE
18	GOLF CLUB	X	X			X		X					X		X		X		FIRE PIT AREA
19	ROSE HILL	X											X		X				ON-SITE RETAIL
20	SPRING HOUSE AT BRANDYWINE	X	X			X	X	X	B			X			X		X		DOG PARK
21	GOSHEN MANOR		X			X						X	X		X				DOG PARK
22	MANOR CROSSING							X				X	X		X				
23	THE GREENTREE BUILDING					X							X			X			ROOFTOP TERRACE

SPORTS COURT
V - VOLLEYBALL
B - BASKETBALL
R - RACQUETBALL

DANTER & ASSOCIATES

UNIT AMENITIES DESCRIPTION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	RANGE	REFRIGERATOR	MICROWAVE	DISHWASHER	DISPOSAL	AIR CONDITIONING	WASHER/DRYER	WASH/DRY HOOKUPS	CARPET	WINDOW COVERINGS	FIREPLACE	INTERCOM SECURITY	BALCONY/PATIO	CARPORT	GARAGE	BASEMENT	CEILING FAN	VAULTED CEILINGS	SECURITY SYSTEM	OTHER
1	THE EDGE AT WEST CHESTER	X	X	X	X	X	C	X	X	X	B		X								FULLY FURNISHED
2	CAMBRIDGE HALL	X	X	X	X	X	C			X	B		X	X							QUARTZ COUNTERS
3	THE POINT AT WEST CHESTER	X	X	X	X	X	C	X	X	X	B		X	X		X		X	S		GRANITE COUNTERS
4	JEFFERSON AT WESTTOWN	X	X	X	X	X	C	X	X	X	B	X		X		S		X		X	CROWN MOLDING
5	MARKET STREET FLATS	X	X	X	X	X	C	X	X	X			X			X		X			GRANITE COUNTERS
6	CHESTNUT SQUARE	X	X	X	X	X	C	X	X	X	B		X	S		O					GRANITE COUNTERS
7	CHESTNUT STREET LOFTS	X	X	X	X	X	C	X	X	X	B		X	X	X				X		GRANITE COUNTERS
8	SHARPLES WORKS	X	X	X	X	X	C	S	S	X	B				X				X		EXPOSED WOOD BEAMS
9	GOSHEN TERRACE	X	X	X	X	X	C			X	B			X							
10	THE METROPOLITAN-HIGHGATE	X	X	X	X	X	C	X	X	X	B			X							
11	THE METROPOLITAN-EAST GOSHEN	X	X	X	X	X	C	X	X	X				X							FURNISHED UNITS OPTIONAL

S - SOME
O - OPTIONAL

REFRIGERATOR
I -ICEMAKER
F - FROSTFREE

AIR CONDITIONING
C - CENTRAL AIR
W - WINDOW UNIT

WINDOW COVERINGS
B - BLINDS
D - DRAPES

GARAGE
A - ATTACHED
D - DETACHED
U - UNDERGROUND

BASEMENT
U - UNFINISHED
F - FINISHED

DANTER & ASSOCIATES

UNIT AMENITIES DESCRIPTION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	RANGE	REFRIGERATOR	MICROWAVE	DISHWASHER	DISPOSAL	AIR CONDITIONING	WASHER/DRYER	WASH/DRY HOOKUPS	CARPET	WINDOW COVERINGS	FIREPLACE	INTERCOM SECURITY	BALCONY/PATIO	CARPORT	GARAGE	BASEMENT	CEILING FAN	VAULTED CEILINGS	SECURITY SYSTEM	OTHER
12	THE METROPOLITAN-EAST GOSHEN ESTATES	X	X	X	X	X	C	X	X	X	B		X	X				X			CROWN MOLDING
13	BECKON COLLECTION	X	X	X	X	X	C	X	X	X	B		X								QUARTZ COUNTERS
14	AUDUBON POINTE	X	X	X	X	X	C	X	X	X	B		X	X				X			STAINLESS APPLIANCES
15	TOWN'S EDGE	X	X		X		C			X	B			X							HARDWOOD FLOORS
16	AUDUBON MANOR	X	X	X	X	X	C			X	B			X							
17	THE METROPOLITAN-WEST CHESTER	X	X	X	X	X	C	S		X	B		X	S							
18	GOLF CLUB	X	X	S	X	X	C	S	S	X	B		X	X							EXTRA STORAGE:
19	ROSE HILL	X	X	X	X	X	C	S	S	X	B			X				X			FAUX-WOOD FLOORS
20	SPRING HOUSE AT BRANDYWINE	X	X	X	X	X	C	X	X	X	B	S		X		O					9' CEILINGS
21	GOSHEN MANOR	X	X	X	X	X	W			X	B										
22	MANOR CROSSING	X	X		X	X	C			X	B		X	X							STORAGE LOCKERS

S - SOME
O - OPTIONAL

REFRIGERATOR
I -ICEMAKER
F - FROSTFREE

AIR CONDITIONING
C - CENTRAL AIR
W - WINDOW UNIT

WINDOW COVERINGS
B - BLINDS
D - DRAPES

GARAGE
A - ATTACHED
D - DETACHED
U - UNDERGROUND

BASEMENT
U - UNFINISHED
F - FINISHED

DANTER & ASSOCIATES

UNIT AMENITIES DESCRIPTION
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	RANGE	REFRIGERATOR	MICROWAVE	DISHWASHER	DISPOSAL	AIR CONDITIONING	WASHER/DRYER	WASH/DRY HOOKUPS	CARPET	WINDOW COVERINGS	FIREPLACE	INTERCOM SECURITY	BALCONY/PATIO	CARPORT	GARAGE	BASEMENT	CEILING FAN	VAULTED CEILINGS	SECURITY SYSTEM	OTHER
23	THE GREENTREE BUILDING	X	X			X	C				B		X								HARDWOOD FLOORS

	REFRIGERATOR	AIR CONDITIONING	WINDOW COVERINGS	GARAGE	BASEMENT
S - SOME	I -ICEMAKER	C - CENTRAL AIR	B - BLINDS	A - ATTACHED	U - UNFINISHED
O - OPTIONAL	F - FROSTFREE	W - WINDOW UNIT	D - DRAPES	D - DETACHED	F - FINISHED
				U - UNDERGROUND	

DANTER & ASSOCIATES

DISTRIBUTION OF
UNIT AND PROJECT AMENITIES
MARKET RATE UNITS
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

	PROJECTS			
UNIT AMENITIES	**ALL UNITS**	**SOME UNITS OR OPTIONAL**	**TOTAL**	**PERCENTAGE OF PROJECTS**
REFRIGERATOR	23	0	23	100.0%
RANGE	23	0	23	100.0%
MICROWAVE	19	1	20	87.0%
DISHWASHER	22	0	22	95.7%
DISPOSAL	22	0	22	95.7%
AIR CONDITIONING	23	0	23	100.0%
WASHER / DRYER	12	4	16	69.6%
WASH / DRY HOOKUP	12	3	15	65.2%
CARPET	22	0	22	95.7%
WINDOW COVERINGS	21	0	21	91.3%
FIREPLACE	1	1	2	8.7%
INTERCOM SECURITY	13	0	13	56.5%
BALCONY / PATIO	15	2	17	73.9%
CAR PORT	2	0	2	8.7%
GARAGE	2	3	5	21.7%
BASEMENT	0	0	0	0.0%
CEILING FAN	6	0	6	26.1%
VAULTED CEILING	2	1	3	13.0%
SECURITY SYSTEM	1	0	1	4.3%
PROJECT AMENITIES				
POOL	12		12	52.2%
COMMON BUILDING	12		12	52.2%
SAUNA	0		0	0.0%
HOT TUB	0		0	0.0%
EXERCISE ROOM	19		19	82.6%
TENNIS	1		1	4.3%
PLAYGROUND	6		6	26.1%
SPORTS COURT	3		3	13.0%
JOG / BIKE TRAIL	1		1	4.3%
LAKE	0		0	0.0%
PICNIC AREA	16		16	69.6%
LAUNDRY FACILITY	10		10	43.5%
SECURITY GATE	2		2	8.7%
ON SITE MANAGEMENT	19		19	82.6%
ELEVATOR	9		9	39.1%

DANTER & ASSOCIATES

UNIT TYPE / UTILITY DETAIL
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	GARDEN S	GARDEN 1	GARDEN 2	GARDEN 3	GARDEN 4+	TOWNHOUSE 1	TOWNHOUSE 2	TOWNHOUSE 3	TOWNHOUSE 4+	NUMBER OF FLOORS	TYPE HEAT	PAYOR HEAT	TYPE HOT WATER	PAYOR HOT WATER	TYPE COOKING	PAYOR COOKING	ELECTRICITY	WATER/SEWER	TRASH PICKUP	TYPE CABLE	PAYOR CABLE	INTERNET
1	THE EDGE AT WEST CHESTER	X		X	X	X					4	E	L	E	L	E	L	L	L	L	C	L	L
2	CAMBRIDGE HALL		X	X	X						3	E	T	E	T	E	T	T	L	L	C	T	T
3	THE POINT AT WEST CHESTER		X	X	X						4	E	T	E	T	E	T	T	T	T	C	T	T
4	JEFFERSON AT WESTTOWN		X	X	X						3	E	T	E	T	E	T	T	L	L	C	T	T
5	MARKET STREET FLATS		X	X							5	E	T	E	T	E	T	T	L	L	C	T	T
6	CHESTNUT SQUARE		X	X							4	E	T	E	T	E	T	T	T	L	C	T	T
7	CHESTNUT STREET LOFTS		X								4	E	T	E	T	E	T	T	L	L	C	T	T
8	SHARPLES WORKS	X	X	X				X			3	E	T	E	T	E	T	T	T	T	C	T	T
9	GOSHEN TERRACE		X	X							2	E	T	E	T	E	T	T	T	T	C	T	T
10	THE METROPOLITAN-HIGHGATE		X					X	X		2	E	T	E	T	E	T	T	T	T	C	T	T
11	THE METROPOLITAN-EAST GOSHEN		X	X							3	E	T	E	T	E	T	T	L	L	C	T	T
12	THE METROPOLITAN-EAST GOSHEN ESTATES			X							3	E	T	E	T	E	T	T	L	L	C	T	T
13	BECKON COLLECTION	X	X	X							4	E	T	E	T	E	T	T	T	T	C	T	T
14	AUDUBON POINTE	X	X	X							2.5	E	T	E	T	E	T	T	T	L	C	T	T
15	TOWN'S EDGE		X	X							3	E	T	E	T	E	T	T	L	L	C	T	T
16	AUDUBON MANOR		X	X							2.5	E	T	E	T	E	T	T	L	L	C	T	T

PAYOR
L - LANDLORD
T - TENANT

UTILITIES
E - ELECTRIC
G - GAS
S - STEAM
O - OTHER

CABLE TV
C - COAXIAL
S - SATELLITE

DANTER & ASSOCIATES

UNIT TYPE / UTILITY DETAIL
WEST CHESTER, PENNSYLVANIA
AREA OFF-CAMPUS APARTMENTS
JULY 2024

MAP CODE	PROJECT NAME	GARDEN					TOWNHOUSE				NUMBER OF FLOORS	TYPE HEAT	PAYOR HEAT	TYPE HOT WATER	PAYOR HOT WATER	TYPE COOKING	PAYOR COOKING	ELECTRICITY	WATER/SEWER	TRASH PICKUP	TYPE CABLE	PAYOR CABLE	INTERNET
		S	1	2	3	4+	1	2	3	4+													
17	THE METROPOLITAN-WEST CHESTER		X	X							3	E	T	E	T	E	T	T	L	L	C	T	T
18	GOLF CLUB	X	X					X	X		2	E	T	E	T	E	T	T	L	L	C	T	T
19	ROSE HILL		X	X				X	X		2 & 3	E	T	E	T	E	T	T	L	L	C	T	T
20	SPRING HOUSE AT BRANDYWINE		X	X	X						3	E	T	E	T	E	T	T	T	L	C	T	T
21	GOSHEN MANOR		X	X							3	G	T	G	T	G	T	T	L	L	C	T	T
22	MANOR CROSSING		X	X							2.5	G	T	G	L	E	T	T	L	L	C	T	T
23	THE GREENTREE BUILDING	X	X	X							5	E	T	E	T	G	T	T		T	C	T	T

PAYOR
L - LANDLORD
T - TENANT

UTILITIES
E - ELECTRIC
G - GAS
S - STEAM
O - OTHER

CABLE TV
C - COAXIAL
S - SATELLITE

DANTER & ASSOCIATES

RENT PER SQUARE FOOT COMPARISO
STUDIO UNITS
AREA OFF-CAMPUS APARTMENTS
WEST CHESTER, PENNSYLVANIA

Map Code	Project Name	UNIT SIZE		ADJUSTED RENT		ADJUSTED RENT PER SQ. FOOT	
		Low	High	Low	High	Low	High
1	THE EDGE AT WEST CHESTER	410	530	$1,615	$1,663	$3.14	$3.94
8	SHARPLES WORKS	425	540	$1,828	$1,998	$3.70	$4.30
13	BECKON COLLECTION	497	617	$1,951	$2,081	$3.37	$3.93
14	AUDUBON POINTE	350	350	$1,589	$1,589	$4.54	$4.54
18	GOLF CLUB	465	465	$1,546	$1,796	$3.32	$3.86
23	THE GREENTREE BUILDING	300	350	$1,498	$1,544	$4.41	$4.99

DANTER & ASSOCIATES

RENT PER SQUARE FOOT COMPARISO
ONE BEDROOM UNITS
AREA OFF-CAMPUS APARTMENTS
WEST CHESTER, PENNSYLVANIA

Map Code	Project Name	UNIT SIZE		ADJUSTED RENT		ADJUSTED RENT PER SQ. FOOT	
		Low	High	Low	High	Low	High
2	CAMBRIDGE HALL	440	700	$1,498	$1,798	$2.57	$3.40
3	THE POINT AT WEST CHESTER	745	985	$2,317	$2,617	$2.66	$3.11
4	JEFFERSON AT WESTTOWN	754	877	$1,968	$2,678	$2.61	$3.05
5	MARKET STREET FLATS	710	973	$1,907	$2,562	$2.63	$2.69
6	CHESTNUT SQUARE	716	974	$2,292	$4,092	$3.20	$4.20
7	CHESTNUT STREET LOFTS	475	685	$1,924	$2,108	$3.08	$4.05
8	SHARPLES WORKS	490	1,033	$1,952	$2,662	$2.58	$3.98
9	GOSHEN TERRACE	715	840	$1,966	$2,052	$2.44	$2.75
10	THE METROPOLITAN-HIGHGATE	720	720	$1,892	$2,087	$2.63	$2.90
11	THE METROPOLITAN-EAST GOSHEN	650	650	$1,783	$1,783	$2.74	$2.74
13	BECKON COLLECTION	579	774	$2,093	$2,442	$3.16	$3.61
14	AUDUBON POINTE	600	600	$2,011	$2,011	$3.35	$3.35
15	TOWN'S EDGE	625	660	$1,448	$1,528	$2.32	$2.32
16	AUDUBON MANOR	670	670	$1,837	$1,837	$2.74	$2.74
17	THE METROPOLITAN-WEST CHESTER	634	780	$1,805	$2,108	$2.70	$2.85
18	GOLF CLUB	635	675	$1,658	$1,908	$2.61	$2.83
19	ROSE HILL	940	940	$1,708	$1,958	$1.82	$2.08
20	SPRING HOUSE AT BRANDYWINE	651	725	$2,191	$2,340	$3.23	$3.37
21	GOSHEN MANOR	725	725	$1,612	$1,647	$2.22	$2.27
22	MANOR CROSSING	650	650	$1,420	$1,420	$2.18	$2.18
23	THE GREENTREE BUILDING	400	600	$1,673	$1,953	$3.26	$4.18

RENT PER SQUARE FOOT COMPARISO
TWO BEDROOM UNITS
AREA OFF-CAMPUS APARTMENTS
WEST CHESTER, PENNSYLVANIA

Map Code	Project Name	UNIT SIZE		ADJUSTED RENT		ADJUSTED RENT PER SQ. FOOT	
		Low	High	Low	High	Low	High
1	THE EDGE AT WEST CHESTER	725	725	$2,948	$2,972	$4.07	$4.10
2	CAMBRIDGE HALL	950	1,200	$2,037	$2,387	$1.99	$2.14
3	THE POINT AT WEST CHESTER	1,075	1,390	$2,871	$3,271	$2.35	$2.67
4	JEFFERSON AT WESTTOWN	926	1,271	$2,241	$3,133	$2.42	$2.46
5	MARKET STREET FLATS	1,085	1,115	$2,436	$2,851	$2.25	$2.56
6	CHESTNUT SQUARE	1,066	1,242	$3,146	$4,539	$2.95	$3.65
8	SHARPLES WORKS	708	1,384	$2,281	$3,351	$2.42	$3.22
9	GOSHEN TERRACE	911	1,200	$2,239	$2,566	$2.14	$2.46
10	THE METROPOLITAN-HIGHGATE	950	1,020	$2,341	$2,674	$2.46	$2.62
11	THE METROPOLITAN-EAST GOSHEN	755	755	$2,212	$2,212	$2.93	$2.93
12	THE METROPOLITAN-EAST GOSHEN ESTATES	1,120	1,120	$2,437	$2,437	$2.18	$2.18
13	BECKON COLLECTION	981	1,157	$2,929	$3,122	$2.70	$2.99
14	AUDUBON POINTE	800	800	$2,272	$2,272	$2.84	$2.84
15	TOWN'S EDGE	820	915	$1,617	$1,762	$1.93	$1.97
16	AUDUBON MANOR	795	870	$1,983	$2,025	$2.33	$2.49
17	THE METROPOLITAN-WEST CHESTER	935	948	$2,112	$2,342	$2.26	$2.47
18	GOLF CLUB	1,000	1,000	$2,037	$2,337	$2.04	$2.34
19	ROSE HILL	1,040	1,205	$1,937	$2,737	$1.86	$2.27
20	SPRING HOUSE AT BRANDYWINE	908	1,051	$2,473	$2,928	$2.72	$2.79
21	GOSHEN MANOR	945	945	$1,903	$1,909	$2.01	$2.02
22	MANOR CROSSING	850	850	$2,040	$2,040	$2.40	$2.40
23	THE GREENTREE BUILDING	650	650	$2,108	$2,108	$3.24	$3.24

RENT PER SQUARE FOOT COMPARISO
THREE BEDROOM UNITS
AREA OFF-CAMPUS APARTMENTS
WEST CHESTER, PENNSYLVANIA

Map Code	Project Name	UNIT SIZE		ADJUSTED RENT		ADJUSTED RENT PER SQ. FOOT	
		Low	High	Low	High	Low	High
1	THE EDGE AT WEST CHESTER	939	1,157	$4,062	$4,212	$3.64	$4.33
2	CAMBRIDGE HALL	1,225	1,225	$2,602	$3,317	$2.12	$2.71
3	THE POINT AT WEST CHESTER	1,368	1,464	$3,625	$3,825	$2.61	$2.65
4	JEFFERSON AT WESTTOWN	1,394	1,394	$2,896	$3,623	$2.08	$2.60
10	THE METROPOLITAN-HIGHGATE	1,175	1,175	$2,964	$2,964	$2.52	$2.52
18	GOLF CLUB	1,150	1,150	$2,367	$2,667	$2.06	$2.32
19	ROSE HILL	2,600	2,600	$3,267	$3,267	$1.26	$1.26
20	SPRING HOUSE AT BRANDYWINE	1,303	1,303	$3,143	$3,221	$2.41	$2.47

DANTER & ASSOCIATES

RENT PER SQUARE FOOT COMPARISO
FOUR+ BEDROOM UNITS
AREA OFF-CAMPUS APARTMENTS
WEST CHESTER, PENNSYLVANIA

Map Code	Project Name	UNIT SIZE		ADJUSTED RENT		ADJUSTED RENT PER SQ. FOOT	
		Low	High	Low	High	Low	High
1	THE EDGE AT WEST CHESTER	1,181	1,181	$5,072	$5,660	$4.29	$4.79

DANTER & ASSOCIATES

ADDITIONAL COMMENTS, OBSERVATIONS, & AMENITIES WEST CHESTER, PENNSYLVANIA AREA OFF-CAMPUS APARTMENTS JULY 2024		
MAP CODE	**PROJECT**	**COMMENTS, OBSERVATIONS, & AMENITIES**
3	The Point at West Chester	Coffee/Tea Station; Fire Pit Area; Pet Park/Wash; Theater Room
6	Chestnut Square	Bike Storage; Cyber Lounge; Yoga Room; Fire Pit Area; Larger 1BR Units Have a Den; Penthouse Units Have Higher the Rents
8	Sharples Works	Coffee Bar; Beer Garden; Package Receiving; Smoke-Free Property
13	Beckon Collective	Dog Park/Spa; Package Acceptance; Social Events; Electric Car Charging Station; Study Room; Bocce Court
24	Spring House at Brandywine	Recently Renovated Units Have Higher Rents; Coffee Bar; Car Care Area; Package Acceptance; Fire Pit Area

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APPENDIX J

CASH FLOW PROJECTION

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Cashflow Projection - Allegheny and Brandywine Halls

Operating Year				1	2	3	4	5	6	7	8
Fiscal Year				2025	2026	2027	2028	2029	2030	2031	2032
Rental Revenues	Beds	2024 Rates per Semester									
2 Person Semi-Suite	858	$ 5,558		9,537,528	9,823,654	10,118,363	10,421,914	10,734,572	11,056,609	11,388,307	11,729,956
4 Person Shared Suite	212	$ 5,810		2,463,440	2,537,343	2,613,463	2,691,867	2,772,623	2,855,802	2,941,476	3,029,720
2 Person Private Suite	68	$ 5,910		803,760	827,873	852,709	878,290	904,639	931,778	959,731	988,523
6 Person Private Suite	120	$ 5,180		1,243,200	1,280,496	1,318,911	1,358,478	1,399,233	1,441,210	1,484,446	1,528,979
Vacancy			5.0%	(640,236)	(659,443)	(679,227)	(699,604)	(720,592)	(742,209)	(764,476)	(787,410)
Summer Housing Revenue				82,194	84,660	87,200	89,816	92,510	95,285	98,144	101,088
Net Rental Income	**1,258**			**13,489,886**	**13,894,582**	**14,311,420**	**14,740,762**	**15,182,985**	**15,638,475**	**16,107,629**	**16,590,858**
Other Income				389,215	389,215	389,215	389,215	389,215	389,215	389,215	389,215
Investment Income				178,398	237,376	237,376	237,376	237,376	237,376	237,376	237,376
Total Other Income				**567,613**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**
Total Revenue				**14,057,498**	**14,521,173**	**14,938,011**	**15,367,353**	**15,809,576**	**16,265,066**	**16,734,220**	**17,217,449**
Salary and Benefits				846,001	871,381	897,522	924,448	952,182	980,747	1,010,169	1,040,475
Repair and Maintenance				1,096,015	1,128,895	1,162,762	1,197,645	1,233,575	1,270,582	1,308,699	1,347,960
Utilities				613,373	631,774	650,727	670,249	690,357	711,067	732,399	754,371
Turnover				390,200	401,906	413,963	426,382	439,174	452,349	465,919	479,897
Office Expenses				166,865	171,871	177,027	182,338	187,808	193,442	199,246	205,223
Insurance				394,866	406,712	418,913	431,481	444,425	457,758	471,491	485,635
Ground Lease and Rent Operating Expenses				201,802	207,856	214,092	220,514	227,130	233,944	240,962	248,191
Events, Meals & Entertainment				2,811	2,895	2,982	3,072	3,164	3,259	3,356	3,457
Bad Debt Expense				160,397	165,209	170,165	175,270	180,528	185,944	191,522	197,268
Scholarships				196,000	201,880	207,936	214,174	220,600	227,218	234,034	241,055
Subsidized Housing				367,125	378,139	389,483	401,167	413,202	425,598	438,366	451,517
Legal and Audit				30,655	31,575	32,522	33,498	34,502	35,538	36,604	37,702
Postage & Printing				410	422	435	448	461	475	490	504
Contributions and Sponsorships				-	-	-	250,000	257,500	265,225	273,182	
Operating Expenses				**4,466,520**	**4,600,516**	**4,738,531**	**5,130,687**	**5,277,108**	**5,435,421**	**5,598,483**	**5,766,438**
Repair and Replacement Reserve				**364,820**	**375,765**	**387,038**	**398,649**	**410,608**	**422,926**	**435,614**	**448,683**
Net Operating Income				**9,226,158**	**9,544,893**	**9,812,442**	**9,838,018**	**10,121,860**	**10,406,718**	**10,700,122**	**11,002,328**
2024 Principal				-	1,855,000	2,205,000	2,315,000	2,435,000	2,560,000	2,685,000	2,820,000
2024 Interest[1]				5,431,265	3,818,260	3,724,500	3,613,190	3,496,320	3,373,400	3,245,400	3,111,150
Series 2024 Debt Service				**5,431,265**	**5,673,260**	**5,929,500**	**5,928,190**	**5,931,320**	**5,933,400**	**5,930,400**	**5,931,150**
Debt Service Coverage Ratio				**1.70**	**1.68**	**1.65**	**1.66**	**1.71**	**1.75**	**1.80**	**1.86**
WCU Debt Service				51,502	-	-	-	-	-	-	-
WCU Service Agreements				1,234,304	1,271,333	1,309,473	1,348,757	1,389,220	1,430,897	1,473,824	1,518,038
WCU Ground Rent				10,996	11,326	11,666	12,016	12,376	12,747	13,130	13,524
Total Subordinated Expenses				**1,296,802**	**1,282,659**	**1,321,139**	**1,360,773**	**1,401,596**	**1,443,644**	**1,486,953**	**1,531,562**
Excess Cash Flow				**2,498,091**	**2,588,974**	**2,561,803**	**2,549,055**	**2,788,944**	**3,029,674**	**3,282,769**	**3,539,616**
Breakeven Occupancy (1.20x)				74%	74%	75%	76%	74%	73%	72%	71%
Breakeven Occupancy (1.00x)				66%	66%	67%	67%	66%	65%	64%	63%

[1]Interest in 2025 includes transfers made from the prior issue debt service fund

Cashflow Projection - Allegheny and Brandywine Halls

Operating Year				9	10	11	12	13	14	15	16
Fiscal Year				2033	2034	2035	2036	2037	2038	2039	2040
Rental Revenues	Beds	2024 Rates per Semester									
2 Person Semi-Suite	858	$ 5,558		12,081,855	12,444,311	12,817,640	13,202,169	13,598,234	14,006,181	14,426,367	14,859,158
4 Person Shared Suite	212	$ 5,810		3,120,612	3,214,230	3,310,657	3,409,977	3,512,276	3,617,645	3,726,174	3,837,959
2 Person Private Suite	68	$ 5,910		1,018,179	1,048,724	1,080,186	1,112,592	1,145,970	1,180,349	1,215,759	1,252,232
6 Person Private Suite	120	$ 5,180		1,574,849	1,622,094	1,670,757	1,720,880	1,772,506	1,825,681	1,880,452	1,936,865
Vacancy			5.0%	(811,032)	(835,363)	(860,424)	(886,237)	(912,824)	(940,209)	(968,415)	(997,467)
Summer Housing Revenue				104,121	107,245	110,462	113,776	117,189	120,705	124,326	128,056
Net Rental Income	**1,258**			**17,088,583**	**17,601,241**	**18,129,278**	**18,673,157**	**19,233,351**	**19,810,352**	**20,404,662**	**21,016,802**
Other Income				389,215	389,215	389,215	389,215	389,215	389,215	389,215	389,215
Investment Income				237,376	237,376	237,376	237,376	237,376	237,376	237,376	237,376
Total Other Income				**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**
Total Revenue				**17,715,174**	**18,227,832**	**18,755,869**	**19,299,748**	**19,859,942**	**20,436,943**	**21,031,253**	**21,643,393**
Salary and Benefits				1,071,689	1,103,839	1,136,955	1,171,063	1,206,195	1,242,381	1,279,652	1,318,042
Repair and Maintenance				1,388,399	1,430,051	1,472,953	1,517,141	1,562,655	1,609,535	1,657,821	1,707,556
Utilities				777,003	800,313	824,322	849,052	874,523	900,759	927,782	955,615
Turnover				494,294	509,122	524,396	540,128	556,332	573,022	590,213	607,919
Office Expenses				211,380	217,721	224,253	230,980	237,910	245,047	252,398	259,970
Insurance				500,204	515,211	530,667	546,587	562,984	579,874	597,270	615,188
Ground Lease and Rent Operating Expenses				255,637	263,306	271,205	279,341	287,721	296,353	305,244	314,401
Events, Meals & Entertainment				3,561	3,668	3,778	3,891	4,008	4,128	4,252	4,379
Bad Debt Expense				203,186	209,282	215,560	222,027	228,688	235,548	242,615	249,893
Scholarships				248,287	255,736	263,408	271,310	279,449	287,833	296,468	305,362
Subsidized Housing				465,063	479,015	493,385	508,187	523,432	539,135	555,310	571,969
Legal and Audit				38,833	39,998	41,198	42,434	43,707	45,018	46,368	47,759
Postage & Printing				519	535	551	568	585	602	620	639
Contributions and Sponsorships				281,377	289,819	298,513	307,468	316,693	326,193	335,979	346,058
Operating Expenses				**5,939,431**	**6,117,614**	**6,301,142**	**6,490,177**	**6,684,882**	**6,885,428**	**7,091,991**	**7,304,751**
Repair and Replacement Reserve				**462,143**	**476,007**	**490,288**	**504,996**	**520,146**	**535,750**	**551,823**	**568,378**
Net Operating Income				**11,313,600**	**11,634,211**	**11,964,439**	**12,304,575**	**12,654,914**	**13,015,764**	**13,387,439**	**13,770,264**
2024 Principal				2,960,000	3,110,000	3,265,000	3,430,000	3,600,000	3,780,000	3,970,000	4,165,000
2024 Interest[1]				2,970,150	2,822,150	2,666,650	2,503,400	2,331,900	2,151,900	1,962,900	1,764,400
Series 2024 Debt Service				**5,930,150**	**5,932,150**	**5,931,650**	**5,933,400**	**5,931,900**	**5,931,900**	**5,932,900**	**5,929,400**
Debt Service Coverage Ratio				**1.91**	**1.96**	**2.02**	**2.07**	**2.13**	**2.19**	**2.26**	**2.32**
WCU Debt Service				-	-	-	-	-	-	-	-
WCU Service Agreements				1,563,579	1,610,487	1,658,801	1,708,565	1,759,822	1,812,617	1,866,996	1,923,005
WCU Ground Rent				13,929	14,347	14,778	15,221	15,678	16,148	16,632	17,131
Total Subordinated Expenses				**1,577,509**	**1,624,834**	**1,673,579**	**1,723,786**	**1,775,500**	**1,828,765**	**1,883,628**	**1,940,137**
Excess Cash Flow				**3,805,942**	**4,077,227**	**4,359,210**	**4,647,388**	**4,947,514**	**5,255,099**	**5,570,911**	**5,900,728**
Breakeven Occupancy (1.20x)				69%	68%	67%	66%	65%	64%	63%	62%
Breakeven Occupancy (1.00x)				62%	61%	60%	60%	59%	58%	57%	56%

[1]Interest in 2025 includes transfers made from the prior issue debt service fund

Cashflow Projection - Allegheny and Brandywine Halls

Operating Year				17	18	19	20	21	22	23	24
Fiscal Year				2041	2042	2043	2044	2045	2046	2047	2048
Rental Revenues	Beds	2024 Rates per Semester									
2 Person Semi-Suite	858	$ 5,558		15,304,933	15,764,081	16,237,003	16,724,113	17,225,836	17,742,612	18,274,890	18,823,137
4 Person Shared Suite	212	$ 5,810		3,953,098	4,071,691	4,193,842	4,319,657	4,449,247	4,582,724	4,720,206	4,861,812
2 Person Private Suite	68	$ 5,910		1,289,799	1,328,493	1,368,348	1,409,398	1,451,680	1,495,230	1,540,087	1,586,290
6 Person Private Suite	120	$ 5,180		1,994,971	2,054,820	2,116,465	2,179,959	2,245,357	2,312,718	2,382,100	2,453,563
Vacancy			5.0%	(1,027,391)	(1,058,213)	(1,089,960)	(1,122,658)	(1,156,338)	(1,191,028)	(1,226,759)	(1,263,562)
Summer Housing Revenue				131,897	135,854	139,930	144,128	148,452	152,905	157,492	162,217
Net Rental Income	**1,258**			**21,647,306**	**22,296,725**	**22,965,627**	**23,654,596**	**24,364,234**	**25,095,161**	**25,848,016**	**26,623,456**
Other Income				389,215	389,215	389,215	389,215	389,215	389,215	389,215	389,215
Investment Income				237,376	237,376	237,376	237,376	237,376	237,376	237,376	6,171,776
Total Other Income				**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**626,591**	**6,560,991**
Total Revenue				**22,273,897**	**22,923,316**	**23,592,218**	**24,281,187**	**24,990,825**	**25,721,752**	**26,474,607**	**33,184,447**
Salary and Benefits				1,357,583	1,398,311	1,440,260	1,483,468	1,527,972	1,573,811	1,621,025	1,669,656
Repair and Maintenance				1,758,782	1,811,546	1,865,892	1,921,869	1,979,525	2,038,911	2,100,078	2,163,080
Utilities				984,284	1,013,812	1,044,226	1,075,553	1,107,820	1,141,054	1,175,286	1,210,545
Turnover				626,156	644,941	664,289	684,218	704,745	725,887	747,664	770,093
Office Expenses				267,769	275,802	284,076	292,599	301,377	310,418	319,731	329,323
Insurance				633,644	652,653	672,233	692,400	713,172	734,567	756,604	779,302
Ground Lease and Rent Operating Expenses				323,833	333,548	343,554	353,861	364,477	375,411	386,674	398,274
Events, Meals & Entertainment				4,511	4,646	4,786	4,929	5,077	5,229	5,386	5,548
Bad Debt Expense				257,390	265,112	273,065	281,257	289,695	298,386	307,337	316,557
Scholarships				314,522	323,958	333,677	343,687	353,998	364,618	375,556	386,823
Subsidized Housing				589,128	606,802	625,006	643,756	663,069	682,961	703,449	724,553
Legal and Audit				49,192	50,668	52,188	53,754	55,366	57,027	58,738	60,500
Postage & Printing				658	678	698	719	741	763	786	809
Contributions and Sponsorships				356,440	367,133	378,147	389,492	401,177	413,212	425,608	438,377
Operating Expenses				**7,523,894**	**7,749,610**	**7,982,099**	**8,221,562**	**8,468,209**	**8,722,255**	**8,983,922**	**9,253,440**
Repair and Replacement Reserve				**585,429**	**602,992**	**621,082**	**639,714**	**658,906**	**678,673**	**699,033**	**720,004**
Net Operating Income				**14,164,575**	**14,570,714**	**14,989,038**	**15,419,911**	**15,863,711**	**16,320,824**	**16,791,651**	**23,211,003**
2024 Principal				4,335,000	4,510,000	4,690,000	4,875,000	5,070,000	5,275,000	5,485,000	5,705,000
2024 Interest[1]				1,597,800	1,424,400	1,244,000	1,056,400	861,400	658,600	447,600	228,200
Series 2024 Debt Service				**5,932,800**	**5,934,400**	**5,934,000**	**5,931,400**	**5,931,400**	**5,933,600**	**5,932,600**	**5,933,200**
Debt Service Coverage Ratio				**2.39**	**2.46**	**2.53**	**2.60**	**2.67**	**2.75**	**2.83**	**3.91**
WCU Debt Service				-	-	-	-	-	-	-	-
WCU Service Agreements				1,980,696	2,040,116	2,101,320	2,164,360	2,229,290	2,296,169	2,365,054	2,436,006
WCU Ground Rent				17,645	18,175	18,720	19,282	19,860	20,456	21,069	21,702
Total Subordinated Expenses				**1,998,341**	**2,058,291**	**2,120,040**	**2,183,641**	**2,249,150**	**2,316,625**	**2,386,124**	**2,457,707**
Excess Cash Flow				**6,233,434**	**6,578,023**	**6,934,998**	**7,304,870**	**7,683,161**	**8,070,600**	**8,472,928**	**14,820,096**
Breakeven Occupancy (1.20x)				61%	61%	60%	59%	58%	57%	57%	33%
Breakeven Occupancy (1.00x)				56%	55%	54%	54%	53%	52%	52%	28%

[1]Interest in 2025 includes transfers made from the prior issue debt service fund

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APPENDIX K

AUDITED FINANCIAL STATEMENTS

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West Chester University Foundation

Consolidated Financial Statements
and Supplementary Information

June 30, 2024 and 2023

West Chester University Foundation

Table of Contents
June 30, 2024 and 2023

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information	
Consolidating Schedules of Financial Position	35
Consolidating Schedules of Activities	37

Independent Auditors' Report

To the Board of Trustees of
West Chester University Foundation

Opinion

We have audited the consolidated financial statements of West Chester University Foundation and subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 consolidated financial statements.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 35 to 38 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
September 20, 2024

West Chester University Foundation

Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 21,867,332	$ 17,147,301
Cash, restricted	33,706,785	33,811,764
Accounts receivable, net	8,092	-
Contributions receivable, net	2,691,744	4,678,764
Due from West Chester University	83,554	36,720
Other receivables	746,878	813,991
Investments	34,829,917	29,777,879
Real estate held for sale	8,514,559	-
Property and equipment, net	132,049,418	134,363,116
Right-of-use assets	2,106,858	2,206,040
Split-interest agreements	1,540,336	1,558,689
Other assets	803,600	1,581,010
Total assets	$ 238,949,073	$ 225,975,274
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 3,990,132	$ 3,815,594
Other accrued liabilities	787,703	729,890
Charitable gift annuity	106,447	112,505
Due to West Chester University	3,169,206	2,835,664
Deferred rent	51,577	54,046
Lease liabilities, operating	2,656,658	2,746,149
Interest rate swap liability	5,048,815	7,555,230
Loans payable	1,801,341	2,024,390
Bonds payable, net	175,508,401	182,430,856
Total liabilities	193,120,280	202,304,324
Net Assets (Deficit)		
Without donor restrictions	(11,261,089)	(23,569,578)
With donor restrictions	57,089,882	47,240,528
Total net assets (deficit)	45,828,793	23,670,950
Total liabilities and net assets (deficit)	$ 238,949,073	$ 225,975,274

See notes to consolidated financial statements

West Chester University Foundation

Consolidated Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Public support:			
Contributions and fundraising	$ 140,962	$ 4,968,805	$ 5,109,767
Contributions, noncash	634	6,719,347	6,719,981
Total public support	141,596	11,688,152	11,829,748
Revenue:			
Rental	32,702,208	-	32,702,208
Investment/interest income, net	1,526,071	1,432,016	2,958,087
Net gain on investments	-	2,263,177	2,263,177
Net gain on real estate held for sale	-	1,635,000	1,635,000
Other income	1,410,404	15,501	1,425,905
Grants and contracts	3,892,530	140,612	4,033,142
Change in fair value of interest rate swap liability	2,506,414	-	2,506,414
Change in value of split-interest agreements	-	61,834	61,834
Net assets released from restrictions	7,386,938	(7,386,938)	-
Total revenue	49,424,565	(1,838,798)	47,585,767
Total public support and revenue	49,566,161	9,849,354	59,415,515
Distributions and Expenses			
Contributions transferred to West Chester University	2,513,005	-	2,513,005
Debt service paid to West Chester University	153,849	-	153,849
Distributions to affiliates	234,427	-	234,427
Total distributions	2,901,281	-	2,901,281
Expenses:			
Salaries and benefits	5,443,007	-	5,443,007
Bad debt expense	624,899	-	624,899
Contracted services	2,547,767	-	2,547,767
Depreciation and amortization	6,548,048	-	6,548,048
Office expense and subscriptions	786,280	-	786,280
Events, travel, meals and entertainment	1,919,662	-	1,919,662
Insurance and property tax	715,487	-	715,487
Interest	6,481,687	-	6,481,687
Legal and audit	137,853	-	137,853
Contributions and sponsorships	99,903	-	99,903
Postage and printing	102,332	-	102,332
Repairs and maintenance	2,939,930	-	2,939,930
Ground lease and other rental operating	1,179,261	-	1,179,261
Scholarships	2,972,820	-	2,972,820
Utilities	1,857,455	-	1,857,455
Total expenses	34,356,391	-	34,356,391
Total distributions and expenses	37,257,672	-	37,257,672
Changes in net assets	12,308,489	9,849,354	22,157,843
Net Assets (Deficit), Beginning	(23,569,578)	47,240,528	23,670,950
Net Assets (Deficit), Ending	$ (11,261,089)	$ 57,089,882	$ 45,828,793

See notes to consolidated financial statements

West Chester University Foundation

Consolidated Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Public support:			
Contributions and fundraising	$ 66,883	$ 5,615,074	$ 5,681,957
Contributions, noncash	1,535	1,174,194	1,175,729
Total public support	68,418	6,789,268	6,857,686
Revenue:			
Rental	32,228,622	-	32,228,622
Investment/interest income, net	742,122	1,708,172	2,450,294
Net gain on investments	-	938,703	938,703
Loan forgiveness	881,777	-	881,777
Other income (loss)	1,409,021	(4,701)	1,404,320
Grants and contracts	4,073,367	274,834	4,348,201
Change in fair value of interest rate swap liability	5,161,150	-	5,161,150
Change in value of split-interest agreements	-	15,415	15,415
Net assets released from restrictions	6,705,962	(6,705,962)	-
Total revenue	51,202,021	(3,773,539)	47,428,482
Total public support and revenue	51,270,439	3,015,729	54,286,168
Distributions and Expenses			
Contributions transferred to West Chester University	3,219,917	-	3,219,917
Debt service paid to West Chester University	279,184	-	279,184
Distributions to affiliates	95,880	-	95,880
Total distributions	3,594,981	-	3,594,981
Expenses:			
Salaries and benefits	5,040,439	-	5,040,439
Bad debt expense	632,316	-	632,316
Contracted services	2,041,802	-	2,041,802
Depreciation and amortization	6,269,914	-	6,269,914
Office expense and subscriptions	901,089	-	901,089
Events, travel, meals and entertainment	721,515	-	721,515
Insurance and property tax	668,410	-	668,410
Interest	6,775,106	-	6,775,106
Legal and audit	168,498	-	168,498
Contributions and sponsorships	117,158	-	117,158
Postage and printing	110,281	-	110,281
Repairs and maintenance	2,564,624	-	2,564,624
Ground lease and other rental operating	1,091,977	-	1,091,977
Scholarships	2,538,461	-	2,538,461
Utilities	1,694,101	-	1,694,101
Total expenses	31,335,691	-	31,335,691
Total distributions and expenses	34,930,672	-	34,930,672
Changes in net assets	16,339,767	3,015,729	19,355,496
Net Assets (Deficit), Beginning	(39,909,345)	44,224,799	4,315,454
Net Assets (Deficit), Ending	$ (23,569,578)	$ 47,240,528	$ 23,670,950

See notes to consolidated financial statements

West Chester University Foundation

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Changes in net assets	$ 22,157,843	$ 19,355,496
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	6,452,486	6,162,147
Amortization of deferred financing costs	95,562	107,767
Net gain on investments	(2,263,177)	(938,703)
Net gain on real estate held for sale	(1,635,000)	-
Loan forgiveness	-	(881,777)
Real estate held for sale, donated in-kind	(6,600,000)	-
Bad debts	624,899	632,316
Change in fair value of interest rate swap liability	(2,506,414)	(5,161,150)
Amortization of bond premium	(82,902)	(83,112)
(Increase) decrease in assets:		
Accounts receivable	(166,678)	(41,390)
Contributions receivable	1,520,707	1,043,455
Other receivables	67,113	(34,847)
Split-interest agreements	18,353	66,056
Other assets	777,410	(827,433)
Increase (decrease) in liabilities:		
Accounts payable	(474,885)	(364,280)
Other accrued liabilities	8,263	(175,289)
Charitable gift annuity	(6,058)	(12,503)
Due to/from West Chester University	296,399	(990,985)
Deferred rent	(2,469)	(24,763)
Net cash provided by operating activities	18,281,452	17,831,005
Cash Flows From Investing Activities		
Proceeds from sales of investments	1,419,843	1,342,895
Purchase of investments	(4,208,704)	(3,871,961)
Purchase of real estate held for sale	(279,559)	-
Purchase of property and equipment	(3,439,815)	(1,969,335)
Net cash used in investing activities	(6,508,235)	(4,498,401)
Cash Flows From Financing Activities		
Payments on loans payable	(223,049)	(214,834)
Proceeds from issuance of bonds	-	720,126
Payment on bonds payable	(6,998,464)	(6,637,105)
Reimbursement (payment) of deferred financing costs	63,348	(63,349)
Net cash used in financing activities	(7,158,165)	(6,195,162)
Net increase in cash and cash equivalents	4,615,052	7,137,442
Cash and Cash Equivalents, Beginning	50,959,065	43,821,623
Cash and Cash Equivalents, Ending	$ 55,574,117	$ 50,959,065
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	$ 21,867,332	$ 17,147,301
Cash, restricted	33,706,785	33,811,764
	$ 55,574,117	$ 50,959,065

See notes to consolidated financial statements

1. Summary of Significant Accounting Policies

Organization and Nature of Operations

West Chester University Foundation (the Foundation) was formed to promote the charitable, scientific and educational interests of West Chester University (WCU or the University). The Foundation achieves this by soliciting funds and other property, sponsoring programs and managing contracts, in accordance with priorities established by the University.

University Student Housing, LLC (USH) is a Pennsylvania limited liability company whose sole member is the Foundation. USH was organized for educational, scientific and charitable purposes exclusively for the benefit and support of the Foundation, and as such owns, constructs, operates, manages and maintains student housing facilities to be used by students of the University.

The student housing facilities built and managed by USH are:

Building	Initial Project Year	Current Bond Series
University Hall and The Village	2003	Series 2013 and 2021
Allegheny and Brandywine	2008	Series 2008 A-1 and A-2
East Village	2012	Series 2012
Commonwealth	2013	Series 2013 A and 2021 C-2

The Foundation and USH are recognized as separate legal entities; therefore, each organization is the sole owner of its assets, and the creditors of one organization may not look to the assets of the other organization as security or otherwise for the satisfaction of obligations.

Principles of Financial Statement Consolidation

The consolidated financial statements of the Foundation include the accounts of the Foundation and USH. All material intercompany transactions and balances have been eliminated.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenues are generally recognized when earned and expenditures are recognized when incurred.

Basis of Presentation

The consolidated financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), including accounting regulations as they relate to financial statements of not-for-profit organizations. The Financial Accounting Standards Board (FASB) guidance requires the reporting of total assets, liabilities and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows.

Net assets and revenues, gains, expenses and losses are classified as without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

Net Assets With Donor Restrictions - Net assets whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets with donor restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Additionally, funds received as gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions.

Uses of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Tax Status

The Foundation and USH qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC), and therefore are not subject to income tax.

Management has evaluated substantive tax positions taken by the Foundation as of June 30, 2024 and 2023. A tax position is recognized as a benefit only if it is more-likely-than-not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a likelihood of being realized on examination of more than 50%. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. Management believes no significant uncertain tax positions exist, either individually or in the aggregate, that would give rise to the nonrecognition of an existing tax benefit. As of June 30, 2024 and 2023, the Foundation had no material unrecognized tax benefits or liabilities.

The Foundation's and USH's Federal Exempt Organization Business Income Tax Returns for 2023, 2022 and 2021 remain subject to examination by the Internal Revenue Service (IRS), generally for three years after the date the returns were filed.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with a maturity of three months or less.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the expected rate of return of a market participant applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Management has provided for an allowance for uncollectible contributions receivable based upon a periodic review of individual contributions.

Allowance for Credit Losses

The Foundation recognizes an allowance for credit losses for its receivables arising from reciprocal transactions to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events. The Foundation pools these receivables based on similar risk characteristics in estimating expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Foundation measures those receivables individually. Receivables are written off when the Foundation determines that such receivables are deemed uncollectible.

The Foundation utilizes the loss rate method in determining its lifetime expected credit losses on accounts receivable. In determining its loss rates, the Foundation evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, payor type, customer creditworthiness, and the effect of other external forces, such as economic conditions and legal and regulatory requirements, on the level of estimated credit losses in the existing receivables. The allowance for credit losses was $235,604 as of June 30, 2024. As of June 30, 2023, prior to the adoption of Accounting Standards Update (ASU) No. 2016-13, an allowance for doubtful accounts for such receivables of $219,811 was recorded.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values based on quoted market values in the consolidated statements of financial position. Alternative investments, which include interests in limited partnerships, are valued by management based on information provided by valuation committees and are subject to an annual independent audit. Unrealized gains and losses are included in the consolidated statements of activities.

Real Estate Held for Sale

The fair value of real estate held for sale is determined based on the appraised value.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives as follows:

	Years
Buildings	25 - 40
Land improvements	10 - 20
Building improvements	10 - 15
Machinery and equipment	5 - 10
Furniture and fixtures	5 - 10
Computers	3 - 5

Management's policy is to capitalize property and equipment having a cost of $5,000 or greater. Repairs and maintenance are expensed as incurred. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation or amortization are relieved, and any gain or loss is reported in the consolidated statements of activities.

Split-Interest Agreements

The Foundation's split-interest agreements with donors consist of charitable gift annuities, charitable remainder unitrusts, charitable lead trusts, and other charitable trusts. Assets are invested and distributions are made to beneficiaries in accordance with the terms and conditions of their respective agreements (see Note 8).

Contribution revenue for charitable gift annuities is recognized at the date the agreement is established, net of the liability for the present value of the estimated future payments. Contribution revenue for the charitable remainder unitrusts was recognized upon establishment or notification of the agreement, at the fair value of the estimated future receipts discounted for the estimated time period to complete the agreement.

The present value of payments to beneficiaries of charitable gift annuities and the estimated future receipts from the charitable remainder unitrusts are calculated using discount rates which represent the risk-adjusted rates adjusted for credit risk in existence at the date of the gift and current market rates, as applicable. Gains or losses resulting from changes in actuarial assumptions and accretion of the discount are recorded as increases or decreases in the respective net asset category in the consolidated statements of activities.

The present value of estimated future receipts from the charitable lead trusts are calculated using a discount rate which represents the risk-free rate adjusted for credit risk in existence at the date of the gift. Accretion of the discount is recorded as increases in net assets in the consolidated statements of activities.

Other charitable trusts consist of a trust that is a hybrid of a lead trust and a remainder trust. Contribution revenue was recognized at the date the agreement was established, at the fair value of estimated future receipts.

Derivative Financial Instrument

USH has entered into an interest rate swap agreement, which is considered a derivative financial instrument, to manage interest rate exposure on the Allegheny and Brandywine Series 2008 A-1 and A-2 bonds payable. The interest rate swap agreement is reported at fair value in the consolidated statements of financial position and related change in fair value is reported in the current period in the consolidated statements of activities.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of applicable purpose or time restrictions.

Donated Materials, Services and Real Estate Held for Sale

Donated materials, services and real estate held for sale are reflected as contributions, noncash at their estimated value at the date of receipt and reflected in the consolidated statements of activities.

Rental Revenue

Rental revenue from operations and managing and maintaining student housing facilities is recognized when services are performed.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, investments, split-interest agreements and receivables. The investments and split-interest agreements are managed by professional investment managers. The degree and concentration of credit risk varies by the type of investment. Receivables result primarily from rent and unconditional promises to give, most of which are from individuals.

The Foundation maintains cash balances in major financial institutions in excess of the federally insured limit by the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses and believes it is not exposed to any significant credit risk with cash equivalents. Credit risk pertaining to the interest rate swap agreement is described in Note 13.

New Accounting Standards Adopted in the Current Year

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. On July 1, 2023, the Foundation adopted the ASU using the modified retrospective approach. The adoption of ASU No. 2016-13 had no impact of the consolidated financial statements for the year ended June 30, 2024.

Reclassifications

Reclassifications have been reflected in the current period presentation for prior year balances. Such reclassifications are for comparative purposes only and do not restate the prior year financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through September 20, 2024, which is the date the consolidated financial statements were issued.

2. Restricted Cash

Restricted cash consists of funds established pursuant to the terms of trust indenture and financing agreements entered into upon the issuance of the bonds and loans (Note 9), funds restricted by contract and funds received with restrictions from donors:

	2024	2023
USH:		
Bond funds	$ 9,639,920	$ 11,225,510
Replacement funds	3,516,253	2,244,203
Operation and maintenance funds	4,020,441	3,630,630
Pledged revenue funds	61,440	103,309
Debt service reserve funds	6,722,195	5,190,108
Foundation:		
Donor-restricted funds	9,641,305	11,361,605
Legally restricted funds	105,231	56,399
Total	$ 33,706,785	$ 33,811,764

The following is a brief description of the restricted funds:

Bond funds pay debt service and trustee fees.

Replacement funds are for the purpose of repairing or acquiring replacements of real or personal property related to the student housing facilities.

Operation and maintenance funds provide for payment of operating and subordinated operating costs.

Pledged revenue funds receive monthly rent collections from the student housing facilities that are transferred to defined funds (within restricted cash) in accordance with the Trust Indenture and Loan Agreements.

Debt service reserve funds are for payment of debt service in the event that project revenues are insufficient to meet debt service payments.

Donor-restricted funds include grants, contracts and gifts restricted by the donor for a specific use.

Legally restricted funds include other funds restricted for University activities.

3. Accounts Receivable, Net

Accounts receivable includes $243,696 and $219,811 from student housing invoices associated with past due rent at June 30, 2024 and 2023, respectively. Accounts receivable also consists of receivables from an affiliated entity, Southeastern Pennsylvania Autism Resource Center (SPARC). The allowance for credit losses was $235,604 as of June 30, 2024. As of June 30, 2023, prior to the adoption of ASU No. 2016-13, an allowance for doubtful accounts for such receivables of $219,811 was recorded.

4. Other Receivables

Other receivables primarily include a payment due to USH in connection with the interest swap agreement entered into with Deutsche Bank. The amount received by USH under the agreement executed with Deutsche Bank is paid quarterly. The swap receivable was $734,294 and $745,943 at June 30, 2024 and 2023, respectively. See Note 13, Interest Rate Swap, for more detailed information regarding the swap agreement. Other miscellaneous items included in other receivables were $12,584 and $68,048 at June 30, 2024 and 2023, respectively.

5. Contributions Receivable

Contributions receivable consisted of the following as of June 30:

	2024	2023
Capital campaign and annual fund	$ 3,628,332	$ 6,252,280
Discount to net present value at .04% - 5.4%	(450,000)	(1,073,334)
Allowance for uncollectible contributions	(486,588)	(500,182)
Total contributions receivable, net	$ 2,691,744	$ 4,678,764

The following is a schedule of gross pledges due:

	2024	2023
Due in less than one year	$ 2,382,776	$ 3,941,563
Due in one to five years	1,245,556	2,310,717
Total contributions receivable	$ 3,628,332	$ 6,252,280

The Foundation has been notified that it is a beneficiary in the estate of certain individuals under revocable agreements. These amounts are not included in the consolidated financial statements while revocable. Such amounts are recorded as contributions upon the passing of the donor or as the amounts become irrevocable.

6. Investments

Investments are presented in the consolidated financial statements at their fair value. Investments are comprised of the following at June 30:

	2024	2023
Foundation:		
Cash equivalents	$ 1,260,835	$ 220,230
Marketable equity securities	60,529	57,344
Equity mutual funds:		
Giant cap	4,821,207	3,901,293
Large cap	3,626,495	3,280,896
International	8,575,569	7,438,061
Mid cap	3,146,274	2,867,951
Small cap	1,241,306	1,151,088
Micro	279,379	202,037
Fixed income funds:		
Domestic	6,799,957	5,882,517
International	2,231,124	1,941,685
Alternative investments	2,787,242	2,834,777
Total investments	$ 34,829,917	$ 29,777,879

Investment management fees were $129,755 and $109,552 for the years ended June 30, 2024 and 2023, respectively.

Real estate held for sale are considered investments of the Foundation. Real estate held for sale at June 30, 2024 consists of two plots of land that are intended to be sold in the subsequent fiscal year. Further details can be found in Note 17.

7. Property and Equipment

Property and equipment consisted of the following at June 30:

	2024	2023
Buildings and building improvements	$ 212,905,375	$ 210,564,923
Land and land improvements	582,364	575,799
Furniture and fixtures	12,376,707	11,021,681
Machinery and equipment	3,942,679	3,387,017
Construction in progress	746,480	875,746
	230,553,605	226,425,166
Accumulated depreciation	(98,504,187)	(92,062,050)
Property and equipment, net	$ 132,049,418	$ 134,363,116

Depreciation expense was $6,452,486 and $6,162,147 for the years ended June 30, 2024 and 2023, respectively.

8. Split-Interest Agreements

The split-interest agreements consisted of the following at June 30:

	2024	2023
Charitable gift annuities	$ 196,823	$ 202,049
Charitable remainder unitrusts	302,038	261,394
Charitable lead trusts	41,475	95,246
Other charitable trusts	1,000,000	1,000,000
Total split-interest agreements	$ 1,540,336	$ 1,558,689

The liability to donors and beneficiaries under the terms of the agreements was $106,447 and $112,505 at June 30, 2024 and 2023, respectively.

9. Debt

Debt related to USH for the construction of student housing facilities consists of both tax-exempt and taxable student housing revenue bonds issued by the Chester County Industrial Development Authority (CCIDA), Deutsche Bank, T.D. Bank, N.A., Wilmington Trust and the United States Department of Agriculture (USDA). Debt related to the Foundation consists of bank loans payable and an unsecured line of credit.

Bonds Payable

Bonds payable consist of the following at June 30, 2024:

Issued Through CCIDA	Counterparty/ Lender/Trustee	Final Maturity Date	Fixed Interest Rate	Unamortized Bond Premium	Unamortized Deferred Financing Costs	Bonds Payable
Allegheny and Brandywine Series 2008 A-1 and A-2[1]	Deutsch Bank/T.D. Wealth Management	2/1/2043	5.50%	$ 687,357	$ (408,837)	$ 78,735,000
East Village Series 2012	T.D. Bank, N.A.	8/1/2044	3.02%	-	(51,465)	15,328,254
University Hall and The Village Series 2013	T.D. Bank, N.A.	8/1/2035	3.02%	-	(59,915)	25,568,131
Commonwealth Series 2013 A	Wilmington Trust	8/1/2045	1.60 - 5.00%	759,613	(255,132)	23,620,000
Commonwealth Series 2021 C-2 [2]	USDA/Wilmington Trust	12/14/2056	2.375%	-	(130,101)	25,781,826
The Village Restoration Series 2021 [3]	T.D. Bank, N.A.	8/1/2035	2.15 - 2.50%	-	(107,919)	6,041,589
Total, gross				$ 1,446,970	$ (1,013,369)	$ 175,074,800
			Total bonds payable, net			$ 175,508,401

Bonds payable consist of the following at June 30, 2023:

Issued Through CCIDA	Counterparty/ Lender/Trustee	Final Maturity Date	Fixed Interest Rate	Unamortized Bond Premium	Unamortized Deferred Financing Costs	Bonds Payable
Allegheny and Brandywine Series 2008 A-1 and A-2	Deutsch Bank/T.D. Wealth Management	2/1/2043	5.50%	$ 708,920	$ (504,889)	$ 81,205,000
East Village Series 2012	T.D. Bank, N.A.	8/1/2044	3.02%	-	(56,198)	15,865,841
University Hall and The Village Series 2013	T.D. Bank, N.A.	8/1/2035	3.02%	-	(70,061)	27,854,381
Commonwealth Series 2013 A	Wilmington Trust	8/1/2045	1.60 - 5.00%	820,952	(275,734)	24,240,000
Commonwealth Series 2021 C-2 (2)	USDA/Wilmington Trust	12/14/2056	2.375%	-	(137,256)	26,302,855
The Village Restoration Series 2021 (3)	T.D. Bank, N.A.	8/1/2035	2.15 - 2.50%	-	(128,141)	6,605,186
Total, gross				$ 1,529,872	$ (1,172,279)	$ 182,073,263
			Total bonds payable, net			$ 182,430,856

Collateral and Covenants

The bonds and swap (Note 13) are secured by a pledge of revenues from the operation of the respective student housing facility, by an open-end leasehold mortgage on the respective property and by a debt service reserve fund.

The bonds and total return swap also require USH to maintain certain financial covenants, including debt service coverage ratio of at least 1.20x (1.30x for Series 2008 A-1 and A-2), and occupancy levels of at least 95% (92% for Series 2008 A-1 and A-2). If occupancy levels are not met for two consecutive covenant periods, for the Series 2012 and Series 2013 bonds, interest rates will increase 20 basis points, only resetting after two consecutive periods of greater than 95% occupancy levels.

Optional Redemption Clause

The Allegheny and Brandywine Series 2008 A-1 and A-2 bonds are subject to optional redemption at the option of USH on the first day of each month at a redemption price of par.

Annual Principal Payments, Bonds Payable

Annual scheduled principal payments, based on provisions outlined in the facility agreements, are as follows as of June 30, 2024:

	Series 2008 A-1 and A-2[1]	Series 2012	Series 2013	Series 2013 A	Series 2021 C-2[2]	Series 2021[3]	Total
2025	$ 2,575,000	$ 555,631	$ 2,116,250	$ 640,000	$ 533,529	$ 579,690	$ 7,000,100
2026	2,690,000	572,885	1,831,875	670,000	546,339	496,223	6,807,322
2027	2,805,000	590,675	1,830,000	705,000	559,457	488,992	6,979,124
2028	2,925,000	607,900	1,910,000	740,000	572,890	500,761	7,256,551
2029	3,050,000	627,894	1,990,000	780,000	586,645	513,382	7,547,921
Thereafter	64,690,000	12,373,269	15,890,006	20,085,000	22,982,966	3,462,541	139,483,782
Bond premium	687,357	-	-	759,613	-	-	1,446,970
Deferred financing costs	(408,837)	(51,465)	(59,915)	(255,132)	(130,101)	(107,919)	(1,013,369)
Total	$ 79,013,520	$ 15,276,789	$ 25,508,216	$ 24,124,481	$ 25,651,725	$ 5,933,670	$ 175,508,401

[1] In April 2023, Series 2008 A-1 and A-2 bonds were re-issued in the aggregate of $81,205,000, which included the elimination of the redemption premium applicable through October 31, 2025 by 75 basis points to 100%.

[2] Series 2021 C-2 bonds were refunded in 2022 and the bond balance includes the deferred principal and interest that was agreed to in the USDA workout agreement that was executed August, 2022.

[3] Principal payments include repayment of deferred principal through August 1, 2025.

Loans Payable

The Meridian Bank loan was modified in March 2022 to reduce the interest rate. The loan is secured by real and personal property of the Foundation at 202 Carter Drive, West Chester, Pennsylvania. Operating cash of $3,000,000 must be maintained in Meridian bank accounts.

In March 2021, the Foundation and USH applied for and were approved for a second draw of loans pursuant to the Paycheck Protection Program (PPP), administered by the U.S. Small Business Administration (SBA). The PPP was authorized in the Coronavirus Aid, Relief and Economic Security (CARES) Act. The Foundation and USH received the loan proceeds on March 19, 2021. The principal amount of the loan was $881,777 ($574,000 and $307,777, for the Foundation and USH, respectively) and there was no collateral or guarantee requirements. In July, 2022, the loans were forgiven.

Loans payable consist of the following at June 30, 2024:

Lender	Final Maturity Date	Interest Rate	Loan Payable
Meridian Bank:			
Office building	May 23, 2031	3.80 %	$ 1,801,341

Loans payable consist of the following at June 30, 2023:

Lender	Final Maturity Date	Interest Rate	Loan Payable
Meridian Bank:			
Office building	May 23, 2031	3.80 %	$ 2,024,390

Annual Principal Payments, Loans Payable

Annual scheduled principal payments, based on provisions outlined in the loan agreements, are as follows as of June 30, 2024:

2025	$ 230,321
2026	241,840
2027	251,192
2028	260,905
2029	270,994
Thereafter	546,089
	$ 1,801,341

Deferred Financing Costs

Deferred financing costs related to the issuance of the bonds are amortized on an effective interest-rate method over the estimated term of the debt. Revisions of the amortization period will be made if the debt is extinguished prior to maturity. Amortization expense was $95,562 and $107,767 for the years ended June 30, 2024 and 2023, respectively.

Line of Credit

The Foundation has a $1.0 million unsecured line of credit with Meridian Bank which is due on demand. Interest is calculated using the Wall Street Journal Prime Rate minus 2.125%, which was 6.375% at June 30, 2024. There was no outstanding balance under the line of credit as of June 30, 2024 and 2023.

10. Pension Plan

The Foundation has defined contribution pension plans and tax-deferred annuity pension plans under IRC Section 403(b). All employees are eligible to participate through a salary reduction agreement. Additionally, employees that work a minimum of 20 hours per week are eligible for an employer contribution of 9.29% of compensation under the defined contribution plans. Employee contributions are made on a tax-deferred basis up to the statutory limits under the deferred annuity plan. Funding vehicles are established for each participant individually for both plans.

Pension expense amounted to $352,716 and $321,210 for the years ended June 30, 2024 and 2023, respectively.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	2024	2023
Time restricted for future periods:		
Net, gains on endowment funds	$ 7,686,752	$ 5,583,409
Purpose restricted:		
Donor-restricted programs	22,489,901	16,788,087
Restricted in perpetuity:		
Scholarships and other University programs	26,913,229	24,869,032
	$ 57,089,882	$ 47,240,528

12. Commitments

Leases

USH leases land used in operations. USH's ground leases have initial lease terms of 31-49 years and typically have an extension of ten years if the related debt is not paid-off as of the end of the lease term. USH assesses extensions using a "reasonably certain" threshold, which is understood to be a high threshold, and therefore, the majority of its leases' terms do not include extension periods for accounting purposes. For leases where USH is reasonably certain to utilize the extension, the extension periods are included within the lease term, and therefore, the measurement of the right-of-use asset and lease liability. The payment structure of USH's leases generally include annual escalation clauses that are either fixed or variable in nature. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position and expenses for these leases are recognized on a straight-line basis over the lease term as an operating expense.

USH makes certain assumptions and judgements in determining the discount rate, as most leases do not provide an implicit rate. USH uses their incremental borrowing rate, for collateralized borrowing, based on information available at the commencement date in determining the present value of lease payments. In order to apply the incremental borrowing rate, a portfolio approach was utilized to group assets based on similar lease terms in a manner whereby USH reasonably expects that the application of the portfolio approach does not differ materially from application to individual leases.

Subsequent to the lease commencement date, USH reassesses lease classifications when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Ground Leases

USH has ground lease agreements with the University for each of the student housing facilities. Payments due under the ground leases are (1) a base rent amount, (2) a Pennsylvania State System of Higher Education (PASSHE) system fee payment based on revenues and (3) a rent payment due to the University based on a percentage of net available cash flow for each year.

The University has subordinated its rights to base and percentage rent payments to any payments due on the bonds. Any unpaid amounts accrue interest at prevailing prime rates.

Building	Agreement Date	Lease Expiration	Base Rent
University Hall and The Village	August 2003, amended February 2017	August 2045 or 2035 if Series 2013 bonds are satisfied at that time	$50,000 per year with annual 3% increases
Allegheny and Brandywine	March 2008	July 2053 or 2043 if Series 2003 bonds (now Series 2008 A-1 and A-2) are satisfied at that time	$7,058 per year with annual 3% increases
East Village	July 2012	June 2047 or earlier if the Series 2012 bonds are satisfied	$30,650 per year with annual 1% increases through 2019, 2% through 2023, and 3% thereafter
Commonwealth	February 2013	June 2063 or earlier if the Series 2013 bonds are satisfied	$10,000 per year with annual 1% increases through 2020, 2% through 2025, and 3% thereafter

At June 30, 2024, future aggregate minimum lease payments due under the leases are as follows:

	2003 Lease	2008 Lease	2012 Lease	2013 Lease
Years ending June 30:				
2025	$ 90,306	$ 10,996	$ 36,992	$ 11,604
2026	93,012	11,326	38,102	11,952
2027	95,808	11,666	39,245	12,311
2028	98,679	12,016	40,423	12,680
2029	101,640	12,376	41,635	13,060
Thereafter	677,171	217,808	1,004,112	776,599

At June 30, 2023, future aggregate minimum lease payments due under the leases are as follows:

	2003 Lease	2008 Lease	2012 Lease	2013 Lease
Years ending June 30:				
2024	$ 87,675	$ 10,676	$ 35,915	$ 11,376
2025	90,306	10,996	36,992	11,604
2026	93,012	11,326	38,102	11,952
2027	95,808	11,666	39,245	12,311
2028	98,679	12,016	40,423	12,680
Thereafter	778,810	230,185	1,045,748	789,659

Lease related expenses for USH for the year ended June 30, 2024 were as follows:

Lease Cost	Classification	Year Ended June 30, 2024
Operating lease cost	Ground lease and other rental operating	$ 155,333

The following table includes supplemental lease information as of and for the year ended June 30, 2024:

Lease Term and Discount Rate	
Weighted-average remaining lease term (years):	
Operating lease - 2003	11
Operating lease - 2008	19
Operating lease - 2012	23
Operating lease - 2013	39
Weighted-average discount rate:	
Operating leases (all ground leases)	2.24%

Lease related expenses for USH for the year ended June 30, 2023 were as follows:

Lease Cost	Classification	Year Ended June 30, 2023
Operating lease cost	Ground lease and other rental operating	$ 157,794

The following table includes supplemental lease information as of and for the year ended June 30, 2023:

Lease Term and Discount Rate	
Weighted-average remaining lease term (years):	
Operating lease - 2003	12
Operating lease - 2008	20
Operating lease - 2012	24
Operating lease - 2013	40
Weighted-average discount rate:	
Operating leases (all ground leases)	2.24%

Ground lease expense for the base rent and system fee totaled $312,261 and $312,674 for the years ended June 30, 2024 and 2023, respectively.

West Chester University Debt Service

USH has an agreement with WCU dated September 2011 which requires USH to pay outstanding debt on four University residence halls that were demolished for replacement housing constructed in 2008, 2012 and 2013, and owned by USH. The demolished University residence halls carried outstanding debt from a sprinkler installation during 2002 and debt from a computer local area network (LAN) installation during 2000. The intended source of payment for the University debt was student room revenue from the buildings prior to demolishment.

Payments made to WCU were $153,600 and $279,184 for the years ended June 30, 2024 and 2023, respectively. The payments are included in ground lease and other rental operating expenses in the consolidated statements of activities.

Annual scheduled debt payments for the demolished properties as of June 30, 2024 were $88,961 due in the year ending June 30, 2025.

13. Interest Rate Swap

Swap Agreement Background

In March 2008, in order to manage variable interest rate exposure on the Allegheny and Brandywine Series 2008 A bonds, USH entered into a variable-to-fixed interest rate swap agreement with Raymond James.

In November 2014, Deutsche Bank purchased USH's Series 2008 A-1 and A-2 bonds at a fixed interest rate of 5.5%. To offset the Raymond James swap, which was still in effect, the Total Return Swap (TRS) agreement was executed with Deutsche Bank. The principal objective of the TRS is to provide a synthetic variable rate structure that when combined with the variable-to-fixed interest rate swap agreement, achieves a net synthetic fixed rate of 4.1% until November 1, 2024. Amendments to the TRS effective May 1, 2024 increased the TRS variable rate from .55% to 2% which will increase the synthetic fixed rate to 5.55%, effective November 1, 2024. The TRS will expire May 1, 2025. In November 2020, Raymond James transferred the variable-to-fixed interest rate swap agreement to Deutsche Bank.

Swap Termination

The fair value of the interest rate swap agreement is the amount that USH would pay to terminate the swap agreement at the reporting date and was based on information supplied by Deutsche Bank for June 30, 2024 and 2023.

In addition, Deutsche Bank is due an additional payment upon the termination of the TRS under certain circumstances. If the TRS terminates, either at its scheduled termination of May 1, 2025 or due to an early termination event, and the market value of the Series 2008 A bonds is below their initial price, then the difference is due to Deutsche Bank. If the market value is equal to or greater than the initial price of the Series 2008 A bonds or if the bonds are redeemed at par, then no termination payment is due. The amount of the termination liability was $688,932 at June 30, 2024.

Swap Agreement

The swap agreement is considered a derivative financial instrument, but is not designated as a hedging instrument. The Foundation and USH do not utilize the interest rate swap or other similar financial instruments for trading or other speculative purposes.

The Foundation is exposed to credit-related losses in the event of nonperformance by the counterparty. The Foundation controls the credit risk of its financial contracts through credit approvals, limits and monitoring procedures and does not expect the counterparty to default on its obligations. The Foundation is ultimately obligated for all amounts due and payable under the bond agreements whether or not the swap agreement counterparty performs their obligation.

The swap agreement is a contract to exchange either variable rate for fixed rate payments, or fixed rate for variable rate payments over the life of the swap agreement without the exchange of the underlying notional amount. The notional amount of the swap agreement is used to measure the interest to be paid or received and does not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable amount, including scheduled and termination payments, if any, that may be generated as a result of the swap agreement.

USH had the following interest rate swap in effect at June 30, 2024:

Counterparty	Notional Amount	Rate Paid by USH	Rate Received by USH	Expiration Date	Fair Value June 30, 2024
Deutsche Bank	$79,475,000	3.55% (fixed)	SOFR (variable)	February 2043	$ (5,048,815)

USH had the following interest rate swap in effect at June 30, 2023:

Counterparty	Notional Amount	Rate Paid by USH	Rate Received by USH	Expiration Date	Fair Value June 30, 2023
Deutsche Bank	$81,945,000	3.55% (fixed)	70% of 1 month LIBOR (variable)	February 2043	$ (7,555,230)

14. Fair Value of Financial Instruments

The Foundation utilizes a fair value hierarchy that prioritizes the inputs to valuation methods to measure the fair value of its financial assets and liabilities. 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 as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Quoted prices in markets that are not active, quoted prices for similar securities, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported with little or no market activity).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

For financial instruments measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at June 30 are as follows:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Reported at fair value:				
Cash equivalents	$ 1,260,835	$ -	$ -	$ 1,260,835
Marketable equity securities	60,529	-	-	60,529
Equity mutual funds:				
Giant cap	4,821,207	-	-	4,821,207
Large cap	3,626,495	-	-	3,626,495
International	8,575,569	-	-	8,575,569
Mid cap	3,146,274	-	-	3,146,274
Small cap	1,241,306	-	-	1,241,306
Micro	279,379	-	-	279,379
Fixed income funds:				
Domestic	6,799,957	-	-	6,799,957
International	2,231,124	-	-	2,231,124
Total investments by valuation hierarchy	$ 32,042,675	$ -	$ -	32,042,675
Alternative investments reported at net asset value				2,787,242
Total investments				$ 34,829,917
Real estate held for sale	$ -	$ -	$ 8,514,559	$ 8,514,559
Split-interest agreements	$ -	$ -	$ 1,540,336	$ 1,540,336
Interest rate swap liability	$ -	$ (5,048,815)	$ -	$ (5,048,815)
Disclosed at fair value:				
Assets:				
Cash and cash equivalents	$ 21,867,332	$ -	$ -	$ 21,867,332
Cash, restricted	33,706,785	-	-	33,706,785

	2023			
	Level 1	Level 2	Level 3	Total
Reported at fair value:				
Cash equivalents	$ 220,230	$ -	$ -	$ 220,230
Marketable equity securities	57,344	-	-	57,344
Equity mutual funds:				
Giant cap	3,901,293	-	-	3,901,293
Large cap	3,280,896	-	-	3,280,896
International	7,438,061	-	-	7,438,061
Mid cap	2,867,951	-	-	2,867,951
Small cap	1,151,088	-	-	1,151,088
Micro	202,037	-	-	202,037
Fixed income funds:				
Domestic	5,882,517	-	-	5,882,517
International	1,941,685	-	-	1,941,685
Total investments by valuation hierarchy	$ 26,943,102	$ -	$ -	26,943,102
Alternative investments reported at net asset value				2,834,777
Total investments				$ 29,777,879
Split-interest agreements	$ -	$ -	$ 1,558,689	$ 1,558,689
Interest rate swap liability	$ -	$ (7,555,230)	$ -	$ (7,555,230)
Disclosed at fair value:				
Assets:				
Cash and cash equivalents	$ 17,147,301	$ -	$ -	$ 17,147,301
Cash, restricted	33,811,764	-	-	33,811,764

The investment liquidity restrictions are as follows as of June 30:

	2024			
Strategy	Amount	Outstanding Commitment	Liquidity Date	Notifications
Private equities	$ 1,495,169	$ 1,416,466	Illiquid	
Real estate	1,292,073	-	Quarterly	105 days
	$ 2,787,242	$ 1,416,466		

	2023			
Strategy	Amount	Outstanding Commitment	Liquidity Date	Notifications
Private equities	$ 1,429,831	$ 1,610,947	Illiquid	
Real estate	1,404,946	-	Quarterly	95 days
	$ 2,834,777	$ 1,610,947		

The following valuation techniques were used to measure fair value of financial instruments in the tables above as of June 30, 2024 and 2023:

Equity and fixed income securities - The fair value of equity and fixed income securities was based on quoted market prices for the identical security.

Alternative investments - The Foundation measures the fair value for these investments based on net asset value (NAV) as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a significantly different value. If not determined as of the Foundation's measurement date, NAV is adjusted to reflect any significant events that would materially affect the security's value. Certain attributes that impact the security's fair value may not be reflected in NAV, including, but not limited to, the investor's ability to redeem the investment at the measurement date and unfunded purchase commitments. If the Foundation sold all or a portion of its alternative investments, it is reasonably possible that the transaction value could differ significantly from the estimated fair value at the measurement date, because of the nature of the investments, changes in market conditions and the overall economic environment. In accordance with ASC Subtopic 820-10, investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Real estate held for sale - The fair value of real estate held for sale is determined using the market approach using appraised values and other information for similar assets.

Split-interest agreements - Fair value of the split-interest agreements was based on the present value of future cash inflows. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value of measurement.

Interest rate swap liability - Fair value of the interest rate swap liability was based on the net present value of expected future cash flows of the difference between the fixed interest rate of the interest rate swap and the Secured Overnight Financing Rate (SOFR). SOFR rates are readily available in public markets or can be derived from information available in publicly quoted markets therefore, the Foundation has categorized the interest rate swap liability as Level 2.

The following valuation techniques were used to measure fair value of financial instruments disclosed as of June 30, 2024 and 2023:

Cash, cash equivalents and restricted cash - These financial instruments approximate fair value due to their short-term maturity. These are considered Level 1 measurements due to their liquidity.

The Foundation has a number of other financial instruments, none of which are held for investment purposes. The Foundation estimates that the fair value of all financial instruments at June 30, 2024 and 2023 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated statements of financial position.

15. Expenses by Both Nature and Function

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Foundation. There are allocations of certain expenses such as office supplies, postage and telephone based on estimated use by staff. Expenses by both nature and function for the years ended June 30, 2024 and 2023 are as follows:

	2024			
	Program	General and Administrative	Fundraising	Total
Salaries and benefits	$ 2,597,655	$ 1,383,078	$ 1,462,274	$ 5,443,007
Bad debt expense	624,899	-	-	624,899
Contracted services	2,495,594	11,404	40,769	2,547,767
Depreciation and amortization	6,293,928	254,120	-	6,548,048
Office expenses and subscriptions	569,544	167,362	49,374	786,280
Events, travel, meals and entertainment	1,648,105	17,425	254,132	1,919,662
Insurance and property tax	667,061	48,386	40	715,487
Interest	6,407,380	74,307	-	6,481,687
Legal and audit	-	137,853	-	137,853
Contributions and sponsorships	99,903	-	-	99,903
Postage and printing	42,676	5,981	53,675	102,332
Repairs and maintenance	2,870,314	69,616	-	2,939,930
Ground lease and other rental operating	1,179,261	-	-	1,179,261
Scholarships	2,972,820	-	-	2,972,820
Utilities	1,802,188	55,267	-	1,857,455
Total expenses	$ 30,271,328	$ 2,224,799	$ 1,860,264	$ 34,356,391

	2023			
	Program	General and Administrative	Fundraising	Total
Salaries and benefits	$ 2,311,189	$ 1,340,960	$ 1,388,290	$ 5,040,439
Bad debt expense	632,316	-	-	632,316
Contracted services	2,004,631	26,666	10,505	2,041,802
Depreciation and amortization	6,012,111	257,803	-	6,269,914
Office expenses and subscriptions	689,734	187,403	23,952	901,089
Events, travel, meals and entertainment	496,100	15,207	210,208	721,515
Insurance and property tax	622,664	45,746	-	668,410
Interest	6,692,584	82,522	-	6,775,106
Legal and audit	-	168,498	-	168,498
Contributions and sponsorships	117,158	-	-	117,158
Postage and printing	87,680	10,172	12,429	110,281
Repairs and maintenance	2,495,608	69,016	-	2,564,624
Ground lease and other rental operating	1,091,977	-	-	1,091,977
Scholarships	2,538,461	-	-	2,538,461
Utilities	1,643,670	50,281	150	1,694,101
Total expenses	$ 27,435,883	$ 2,254,274	$ 1,645,534	$ 31,335,691

16. Related-Party Transactions

West Chester University

In performing its mission, the Foundation raises, receives and manages gifts and endowments on behalf of the University and conducts other activities for the benefit of WCU as defined in the Foundation's Articles of Incorporation and Bylaws. Terms of this relationship are defined in the Memorandum of Understanding between the University and the Foundation.

During fiscal years 2024 and 2023, the Foundation received noncash gifts in the amount of $6,719,347 and $1,174,194, respectively. These gifts were in the form of meals and entertainment, books, equipment, supplies, raffle items, artwork and real estate donated to the Foundation. The donated equipment, books and artwork were transferred to the University during the year. Noncash gifts are recorded in contributions, noncash in the consolidated statements of activities. The two real estate properties are recorded at their appraised value at the time of donation and are recorded as real estate held for sale on the consolidated statements of financial position. The Foundation plans to liquidate the properties through a future sale to a third-party buyer. The net proceeds from the sale would be transferred to the University or used by the Foundation on behalf of WCU, as the University may direct.

The Foundation has an annual comprehensive fundraising agreement with the University; the contract term is July to June. Amounts received by the Foundation for the agreement totaled $3,872,774 and $3,806,774, respectively, for the years ended June 30, 2024 and 2023, and are included within grants and contracts in the consolidated statements of activities.

USH has service agreements with the University whereby the University provides student residence-related services to USH. Total payments to the University under the contracts totaled $2,215,524 and $1,872,040 for the years ended June 30, 2024 and 2023, respectively, and are included in contracted services in the consolidated statements of activities. The University also provides utility service to three of the USH residence halls. Total reimbursement of utility expense to the University from USH totaled $497,262 and $388,052 for the years ended June 30, 2024 and 2023, respectively.

Pursuant to the terms of the ground leases (see Note 12), the University subleases certain office and administrative space within the Brandywine Hall for $20 per year. The University also subleases space in the clubhouse of the East Village apartments for dining services. Payments for this sublease were $12,419 and $12,057 in 2024 and 2023, respectively.

Pursuant to the terms of the West Chester University debt service agreement (Note 12), USH pays the University for debt service on the University residence halls that were demolished for replacement housing constructed and owned by USH.

The following amounts are recorded on the consolidated statements of financial position as an intercompany due to/due from between WCU and Foundation/USH as of June 30:

	2024	2023
Due from WCU:		
Summer camps and conferences	$ 59,905	$ 36,720
Custodial services	7,176	-
Miscellaneous	16,473	-
	83,554	36,720
Due to WCU:		
Utility costs	(497,262)	(388,052)
Ground lease, monthly base payments	(145,642)	(141,509)
LAN and sprinkler costs	(153,850)	(279,184)
Service contract	(2,215,525)	(1,872,039)
State system fee per ground lease	(156,927)	(154,880)
	(3,169,206)	(2,835,664)
Total net due to WCU	$ (3,085,652)	$ (2,798,944)

West Chester University Alumni Association

West Chester University Alumni Association (WCUAA) is an organization affiliated with the University which sponsors over 100 events and activities each year, including prospective students and admission outreach, lectures, educational and cultural enrichments, social and networking opportunities, special events and volunteer services. The Foundation renewed its joint venture agreement with WCUAA on July 1, 2022 related to the joint purchase and ownership of the commercial building located at 202 Carter Drive in West Chester, Pennsylvania. The building was purchased by both parties as tenants in common interest with the Foundation owning 90% and WCUAA owning 10%. The Foundation is the sole debtor on the note used to finance the building purchase. WCUAA has no obligation to make payments on the loan; however, the entire building serves as collateral.

In fiscal year 2023, the University increased its fiscal year fundraising contract with the Foundation by $472,774 to be used to coordinate and conduct activities necessary to promote the University and its alumni in conjunction with the WCUAA. The Foundation will provide personnel, support, guidance and other resources as appropriate to facilitate and support the endeavors agreed upon by the Foundation and WCUAA.

In addition, the Foundation entered into a one-year cooperation agreement with WCUAA on July 25, 2023 effective July 1, 2023 thru June 30, 2024 to provide financial and contract support services for WCUAA with the common goal of building alumni relationships that advance the University. As part of the agreement, WCUAA paid $113,600 to the Foundation for the years ended June 30,2024 and 2023 for these support services. This payment is included in grants and contracts on the consolidated statements of activities. For the contract year ending June 30, 2024, there was a total of $46,226 of unused contract support which is included other accrued liabilities and will be used to fund the cooperation agreement with WCUAA for the fiscal year ending June 30,2025.

West Chester University Student Services, Inc.

Student Services, Inc. (SSI) is an organization affiliated with the University which operates the official University bookstore and provides students, faculty staff, alumni, parents and visitors with materials to support academic work and to enhance campus life. From time to time, the Foundation transfers cash to Student Services for the intended purpose. The following pledges have been made by SSI to the Foundation:

	Pledge Amount	Balance Outstanding at June 30, 2024
Program:		
150 Forward Campaign	$ 3,500,000	$ 875,000

	Pledge Amount	Balance Outstanding at June 30, 2023
Program:		
Road to the Roses	$ 100,000	$ 100,000
150 Forward Campaign	3,500,000	1,750,000

The revenue from pledges with donor restrictions are reported within contributions and fundraising on the consolidated statements of activities.

17. Contributed Nonfinancial Assets

For the years ended June 30, contributed nonfinancial assets recognized within the consolidated statements of activities included:

	2024	2023
Food and personal use items	$ 21,361	$ 119,805
Books and music scores	180	47,443
Artwork for display	-	910,800
Technology equipment	68,081	87,240
Food for events	2,414	3,000
Raffle items and prizes	26,490	6,937
Supplies	1,455	504
Real estate held for sale	6,600,000	-
	$ 6,719,981	$ 1,175,729

The Foundation recognized contributed nonfinancial assets within revenue, including food and personal use items, books and music scores, artwork for display, technology equipment, food for events, raffle items and prizes, supplies and real estate held for sale. Most contributed nonfinancial assets have donor restrictions, except as noted.

Contributed food and personal use items were contributed to the following West Chester University Resource Pantry programs: The Resource Pantry; Meal tickets for Veterans; and the Fueling Station.

Books and music scores were contributed to students and WCU department collections.

Artwork was contributed to be installed and displayed in WCU buildings.

Technology equipment was contributed to WCU for the students' benefit.

Food for events, raffle items and prizes, and supplies were donated to offset the cost of fundraising events.

Real estate was donated to the Foundation in order to fulfill the grantor's desire to commit the property to a charitable purpose and, in doing so, further the mission of the Foundation. The Foundation plans to liquidate the properties through a future sale to a third-party buyer. The net proceeds from the sale would be transferred to the University or used by the Foundation on behalf of WCU, as the University may direct.

18. Endowment

The Foundation's endowments consist of individual funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees' interpretation of the Foundation's policy is to require the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this policy, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to net assets with donor restrictions, (b) the original value of subsequent gifts to net assets with donor restrictions and (c) enhancements or diminishments of the fund from investment income, loss and spending allowance. The Foundation considers the following factors when making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund

2) The purposes of the Foundation and the donor-restricted endowment fund

3) General economic conditions

4) The possible effect of inflation and deflation

5) The expected total return from income and appreciation of investments

6) Other resources of the Foundation

7) The investment policies of the Foundation.

The following schedule represents the changes in endowment net assets for the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 30,452,441	$ 30,452,441
Investment return:			
Investment income	-	1,266,052	1,266,052
Net appreciation (realized and unrealized)	-	2,257,134	2,257,134
Total investment return	-	3,523,186	3,523,186
Contributions	-	2,044,197	2,044,197
Appropriation of endowment assets for expenditure	-	(1,419,843)	(1,419,843)
Endowment net assets, end of year	$ -	$ 34,599,981	$ 34,599,981

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 26,092,198	$ 26,092,198
Investment return:			
Investment income	-	1,562,229	1,562,229
Net appreciation (realized and unrealized)	-	897,187	897,187
Total investment return	-	2,459,416	2,459,416
Contributions	-	3,243,722	3,243,722
Appropriation of endowment assets for expenditure	-	(1,342,895)	(1,342,895)
Endowment net assets, end of year	$ -	$ 30,452,441	$ 30,452,441

The Foundation had $59,966 and $952,119 in endowment assets held in cash and cash equivalents, restricted for the years ended June 30, 2024 and 2023, respectively. The funds were transferred into the endowment investment account during the 2025 and 2024 fiscal years, respectively.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or PA Act 141 requires the Foundation to retain as a fund of perpetual duration.

At June 30, 2024 and 2023, deficiencies of this nature existed in several donor-restricted endowment funds, which together had original gift values of $100,130 and $1,630,302, current fair values of $99,166 and $1,507,057, and deficiencies of $964 and $123,245, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions for donor-restricted endowment funds.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to preserve the inflation-adjusted value of the endowment and avoiding excessive short-term volatility of portfolio returns. The endowment assets are invested with the intention of producing a return of 7% annually over the long term. Actual returns in any given year may vary from this amount.

The Foundation pursues its long-term rate-of-return objectives by execution of an investment strategy that endeavors to achieve a total return that meets the endowment's spending rate, plus the rate of inflation, over a 20-plus-year time-horizon without incurring an undue level of investment risk. Assets are invested in a variety of investment categories so that the diversity of the performance characteristics will reduce the volatility of returns from year-to-year.

The Foundation has a total return policy of appropriating for distribution each year a percentage of its endowment fund's average balance over the prior three fiscal years. This percentage was 3.5% for 2024 and 2023. If the distribution amount exceeds the actual earnings of the endowment funds in any one year, then the amount needed to fund such excess will be taken from the accumulated excess earnings from prior years. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to maintain spending at an amount equal to or less than total return less inflation.

The Foundation considers an endowment fund underwater if the fair value is lower than the aggregate value of all contributions to the endowment fund at the time they were made. If the fair value is 20% lower than the aggregate contributions, the Foundation conducts an analysis of the fund in order to make a determination on future spending distributions. If the fair value is more than 25% lower than the aggregate contributions, spending distributions are suspended until the fund exceeds the 25% level.

19. Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use within one year of the consolidated statements of financial position date because of contractual restrictions, donor-imposed restrictions or internal designations such as funds set aside for building repair and replacement.

	2024	2023
Total financial assets (excludes real estate held for sale, property and equipment, right-of-use assets and other assets)	$ 95,474,638	$ 87,825,108
Less resources unavailable for general expenditure within one year due to time or purpose donor restrictions, restricted by contract or internally-designated reserves:		
Cash, restricted	33,706,785	33,811,764
Contributions receivable, net	2,691,744	4,678,764
Other receivable	746,878	813,991
Investments	34,829,917	29,777,879
Split-interest agreements	1,540,336	1,558,689
	73,515,660	70,641,087
Financial assets available to meet cash needs for general expenditures within one year	$ 21,958,978	$ 17,184,021

As of June 30, 2024, the Foundation has liquid assets on hand to cover approximately 238 days of operating expenses. The Foundation's practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Foundation is substantially supported by student housing revenue and a fundraising contract with the University. Because a donor's restriction requires resources to be used in a particular manner, most donations to the Foundation are unavailable for use for general expenditures.

In the event of a short-term liquidity need, the Foundation could also draw upon $1,000,000 of the available line of credit.

20. Supplemental Cash Flow Information

Cash paid for interest totaled $6,686,487 and $6,560,816 for the years ended June 30, 2024 and 2023, respectively.

Noncash transactions for the years ended June 30, 2024 and 2023 included fixed asset additions included in accounts payable, other accrued liabilities and due to West Chester University, in the amount of $698,973 and $429,334, respectively.

21. Contingencies

The Foundation has signed a number of agreements to fund deficiencies in student scholarships if certain obligations are not met. The potential cost to the Foundation is dependent upon variable factors defined in the agreement. The Foundation has paid $0 in 2024 and 2023 as it relates to these agreements.

In 2017, the Foundation entered into a 99-year operating agreement with Forest of Hope Association, a Rwandan based charitable organization for the construction and management of the Shinehouse Gishwati Research Station. The Foundation was obligated to pay a portion of operating costs of the research station in Rwanda, if the station did not generate sufficient funds in the first two years of operation. In 2020, the operating agreement was replaced, in its entirety, with a ten-year operating agreement. There were no commitments under the agreement for the years ended June 30, 2024 and 2023.

West Chester University Foundation

Consolidating Schedule of Financial Position
June 30, 2024

	West Chester University Foundation	University Student Housing, LLC: University Hall and The Village Series 2013 and 2021	University Student Housing, LLC: Allegheny and Brandywine Series 2008 A-1 and A-2	University Student Housing, LLC: Commonwealth Series 2013 A and 2021 C-2	University Student Housing, LLC: East Village Series 2012	University Student Housing, LLC Total	Eliminating/ Reclass Entries	Consolidated Total
Assets								
Cash and cash equivalents	$ 3,979,952	$ 4,236,475	$ 5,454,057	$ 5,574,534	$ 2,622,314	$ 17,887,380	$ -	$ 21,867,332
Cash, restricted	9,746,536	4,826,426	12,895,788	5,411,313	826,722	23,960,249	-	33,706,785
Accounts receivable, net	-	3,706	740	3,275	371	8,092	-	8,092
Contributions receivable, net	2,691,744	-	-	-	-	-	-	2,691,744
Due from West Chester University	-	17,578	63,492	2,484	-	83,554	-	83,554
Due from University Student Housing	120,744	-	-	-	-	-	(120,744)	-
Other receivables	985	11,599	734,294	-	-	745,893	-	746,878
Investments	34,829,917	-	-	-	-	-	-	34,829,917
Real estate held for sale	8,514,559	-	-	-	-	-	-	8,514,559
Property and equipment, net	4,100,620	23,052,345	54,027,186	37,152,987	13,716,280	127,948,798	-	132,049,418
Right-of-use assets	3,398	750,004	170,123	424,364	758,969	2,103,460	-	2,106,858
Split-interest agreements	1,540,336	-	-	-	-	-	-	1,540,336
Other assets	191,000	272,242	224,172	71,281	44,905	612,600	-	803,600
Total assets	$ 65,719,791	$ 33,170,375	$ 73,569,852	$ 48,640,238	$ 17,969,561	$ 173,350,026	$ (120,744)	$ 238,949,073
Liabilities and Net Assets (Deficit)								
Liabilities								
Accounts payable	$ 29,982	$ 562,120	$ 2,802,542	$ 536,375	$ 59,113	$ 3,960,150	$ -	$ 3,990,132
Other accrued liabilities	611,171	47,664	74,143	38,837	15,888	176,532	-	787,703
Charitable gift annuity	106,447	-	-	-	-	-	-	106,447
Due to West Chester Foundation	-	32,240	47,820	27,067	13,617	120,744	(120,744)	-
Due to West Chester University	-	802,288	1,375,216	726,706	264,996	3,169,206	-	3,169,206
Deferred rent	-	32,302	16,575	2,100	600	51,577	-	51,577
Lease liabilities, operating	3,398	1,019,445	218,614	511,294	903,907	2,653,260	-	2,656,658
Interest rate swap liability	-	-	5,048,815	-	-	5,048,815	-	5,048,815
Loans payable	1,801,341	-	-	-	-	-	-	1,801,341
Bonds payable, net	-	31,441,887	79,013,520	49,776,206	15,276,788	175,508,401	-	175,508,401
Total liabilities	2,552,339	33,937,946	88,597,245	51,618,585	16,534,909	190,688,685	(120,744)	193,120,280
Net Assets (Deficit)								
Without donor restrictions	6,077,570	(767,571)	(15,027,393)	(2,978,347)	1,434,652	(17,338,659)	-	(11,261,089)
With donor restrictions	57,089,882	-	-	-	-	-	-	57,089,882
Total net assets (deficit)	63,167,452	(767,571)	(15,027,393)	(2,978,347)	1,434,652	(17,338,659)	-	45,828,793
Total liabilities and net assets (deficit)	$ 65,719,791	$ 33,170,375	$ 73,569,852	$ 48,640,238	$ 17,969,561	$ 173,350,026	$ (120,744)	$ 238,949,073

West Chester University Foundation

Consolidating Schedule of Financial Position
June 30, 2023

	West Chester University Foundation	University Student Housing, LLC: University Hall and The Village Series 2013 and 2021	University Student Housing, LLC: Allegheny and Brandywine Series 2008 A-1 and A-2	University Student Housing, LLC: Commonwealth Series 2013 A and 2021 C-2	University Student Housing, LLC: East Village Series 2012	University Student Housing, LLC Total	Eliminating/ Reclass Entries	Consolidated Total
Assets								
Cash and cash equivalents	$ 3,644,374	$ 3,374,566	$ 4,379,021	$ 4,034,268	$ 1,715,072	$ 13,502,927	$ -	$ 17,147,301
Cash, restricted	11,418,004	4,731,453	11,477,589	5,292,941	891,777	22,393,760	-	33,811,764
Contributions receivable, net	4,678,764	-	-	-	-	-	-	4,678,764
Due from West Chester University	-	6,650	-	30,070	-	36,720	-	36,720
Due from University Student Housing	115,745	-	-	-	-	-	(115,745)	-
Other receivables	-	29,183	745,559	33,889	5,360	813,991	-	813,991
Investments	29,777,879	-	-	-	-	-	-	29,777,879
Property and equipment, net	4,308,694	23,274,820	54,756,340	37,903,716	14,119,546	130,054,422	-	134,363,116
Right-of-use assets	5,306	807,203	177,083	432,176	784,272	2,200,734	-	2,206,040
Split-interest agreements	1,558,689	-	-	-	-	-	-	1,558,689
Other assets	531,632	324,658	432,668	211,747	80,305	1,049,378	-	1,581,010
Total assets	$ 56,039,087	$ 32,548,533	$ 71,968,260	$ 47,938,807	$ 17,596,332	$ 170,051,932	$ (115,745)	$ 225,975,274
Liabilities and Net Assets								
Liabilities								
Accounts payable	$ 25,000	$ 265,823	$ 2,927,394	$ 546,417	$ 50,960	$ 3,790,594	$ -	$ 3,815,594
Other accrued liabilities	559,098	46,114	71,733	37,574	15,371	170,792	-	729,890
Charitable gift annuity	112,505	-	-	-	-	-	-	112,505
Due to West Chester Foundation	-	35,996	43,324	24,365	12,060	115,745	(115,745)	-
Due to West Chester University	-	679,535	1,260,412	647,000	248,717	2,835,664	-	2,835,664
Deferred rent	-	43,507	440	6,001	4,098	54,046	-	54,046
Lease liabilities, operating	5,306	1,084,586	225,808	511,219	919,230	2,740,843	-	2,746,149
Interest rate swap liability	-	-	7,555,230	-	-	7,555,230	-	7,555,230
Loans payable	2,024,390	-	-	-	-	-	-	2,024,390
Bonds payable, net	-	34,261,366	81,409,031	50,950,817	15,809,642	182,430,856	-	182,430,856
Total liabilities	2,726,299	36,416,927	93,493,372	52,723,393	17,060,078	199,693,770	(115,745)	202,304,324
Net Assets (Deficit)								
Without donor restrictions	6,072,260	(3,868,394)	(21,525,112)	(4,784,586)	536,254	(29,641,838)	-	(23,569,578)
With donor restrictions	47,240,528	-	-	-	-	-	-	47,240,528
Total net assets (deficit)	53,312,788	(3,868,394)	(21,525,112)	(4,784,586)	536,254	(29,641,838)	-	23,670,950
Total liabilities and net assets (deficit)	$ 56,039,087	$ 32,548,533	$ 71,968,260	$ 47,938,807	$ 17,596,332	$ 170,051,932	$ (115,745)	$ 225,975,274

West Chester University Foundation
Consolidating Schedule of Activities
Year Ended June 30, 2024

	West Chester University Foundation			University Student Housing, LLC						Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	University Hall and The Village Series 2013 and 2021 Total Without Donor Restriction	Allegheny and Brandywine Series 2008 A-1 and A-2 Total Without Donor Restriction	Commonwealth Series 2013 A and 2021 C-2 Total Without Donor Restriction	East Village Series 2012 Total Without Donor Restriction	University Student Housing, LLC Total Without Donor Restriction	Eliminating/ Reclass Entries	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue												
Public support:												
Contributions and fundraising	$ 140,962	$ 4,968,805	$ 5,109,767	$ -	$ -	$ -	$ -	$ -	$ -	$ 140,962	$ 4,968,805	$ 5,109,767
Contributions, noncash	634	6,719,347	6,719,981	-	-	-	-	-	-	634	6,719,347	6,719,981
Total public support	141,596	11,688,152	11,829,748	-	-	-	-	-	-	141,596	11,688,152	11,829,748
Revenue:												
Rental	17,715	-	17,715	9,118,010	13,671,214	6,843,308	3,051,961	32,684,493	-	32,702,208	-	32,702,208
Investment/interest income, net	213,544	1,432,016	1,645,560	94,824	696,857	444,207	76,639	1,312,527	-	1,526,071	1,432,016	2,958,087
Net gain on investments	-	2,263,177	2,263,177	-	-	-	-	-	-	-	2,263,177	2,263,177
Net gain on real estate held for sale	-	1,635,000	1,635,000	-	-	-	-	-	-	-	1,635,000	1,635,000
Other income	205,133	15,501	220,634	403,765	476,865	234,881	89,760	1,205,271	-	1,410,404	15,501	1,425,905
Grants and contracts	4,642,805	140,612	4,783,417	-	-	-	-	-	(750,275)	3,892,530	140,612	4,033,142
Change in fair value of interest rate swap liability	-	-	-	-	2,506,414	-	-	2,506,414	-	2,506,414	-	2,506,414
Change in value of split-interest agreements	-	61,834	61,834	-	-	-	-	-	-	-	61,834	61,834
Net assets released from restrictions	7,386,938	(7,386,938)	-	-	-	-	-	-	-	7,386,938	(7,386,938)	-
Total revenue	12,466,135	(1,838,798)	10,627,337	9,616,599	17,351,350	7,522,396	3,218,360	37,708,705	(750,275)	49,424,565	(1,838,798)	47,585,767
Total public support and revenue	12,607,731	9,849,354	22,457,085	9,616,599	17,351,350	7,522,396	3,218,360	37,708,705	(750,275)	49,566,161	9,849,354	59,415,515
Distributions and Expenses												
Contributions transferred to West Chester University	2,513,005	-	2,513,005	-	-	-	-	-	-	2,513,005	-	2,513,005
Debt service paid to West Chester University	-	-	-	-	89,067	46,091	18,691	153,849	-	153,849	-	153,849
Distributions to affiliates	234,427	-	234,427	-	-	-	-	-	-	234,427	-	234,427
Total distributions	2,747,432	-	2,747,432	-	89,067	46,091	18,691	153,849	-	2,901,281	-	2,901,281
Expenses:												
Salaries and benefits	3,631,575	-	3,631,575	487,228	763,372	398,009	162,823	1,811,432	-	5,443,007	-	5,443,007
Bad debt expense	466,313	-	466,313	42,544	56,858	42,977	16,207	158,586	-	624,899	-	624,899
Contracted services	332,243	-	332,243	640,457	1,029,184	532,472	213,411	2,415,524	(200,000)	2,547,767	-	2,547,767
Depreciation and amortization	254,120	-	254,120	1,866,775	2,420,127	1,366,308	640,718	6,293,928	-	6,548,048	-	6,548,048
Endowment management fees	550,275	-	550,275	-	-	-	-	-	(550,275)	-	-	-
Office expense and subscriptions	436,310	-	436,310	84,832	145,688	95,483	23,967	349,970	-	786,280	-	786,280
Events, travel, meals and entertainment	1,914,366	-	1,914,366	1,340	2,110	1,378	468	5,296	-	1,919,662	-	1,919,662
Insurance and property tax	54,570	-	54,570	146,487	342,778	125,971	45,681	660,917	-	715,487	-	715,487
Interest	74,307	-	74,307	950,116	3,238,919	1,740,057	478,288	6,407,380	-	6,481,687	-	6,481,687
Legal and audit	34,465	-	34,465	22,744	32,991	27,201	20,452	103,388	-	137,853	-	137,853
Contributions and sponsorships	99,903	-	99,903	-	-	-	-	-	-	99,903	-	99,903
Postage and printing	101,609	-	101,609	254	282	133	54	723	-	102,332	-	102,332
Repairs and maintenance	81,591	-	81,591	940,794	1,064,318	530,737	322,490	2,858,339	-	2,939,930	-	2,939,930
Ground lease and other rental operating	-	-	-	381,901	438,926	208,891	149,543	1,179,261	-	1,179,261	-	1,179,261
Scholarships	1,762,856	-	1,762,856	359,200	545,416	262,256	43,092	1,209,964	-	2,972,820	-	2,972,820
Utilities	60,486	-	60,486	591,104	683,595	338,193	184,077	1,796,969	-	1,857,455	-	1,857,455
Total expenses	9,854,989	-	9,854,989	6,515,776	10,764,564	5,670,066	2,301,271	25,251,677	(750,275)	34,356,391	-	34,356,391
Total distributions and expenses	12,602,421	-	12,602,421	6,515,776	10,853,631	5,716,157	2,319,962	25,405,526	(750,275)	37,257,672	-	37,257,672
Changes in net assets (deficit)	5,310	9,849,354	9,854,664	3,100,823	6,497,719	1,806,239	898,398	12,303,179	-	12,308,489	9,849,354	22,157,843
Net Assets (Deficit), Beginning	6,072,260	47,240,528	53,312,788	(3,868,394)	(21,525,112)	(4,784,586)	536,254	(29,641,838)	-	(23,569,578)	47,240,528	23,670,950
Net Assets (Deficit), Ending	$ 6,077,570	$ 57,089,882	$ 63,167,452	$ (767,571)	$ (15,027,393)	$ (2,978,347)	$ 1,434,652	$ (17,338,659)	$ -	$ (11,261,089)	$ 57,089,882	$ 45,828,793

West Chester University Foundation
Consolidating Schedule of Activities
Year Ended June 30, 2023

	West Chester University Foundation			University Student Housing, LLC						Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	University Hall and The Village Series 2013 and 2021 Total Without Donor Restrictions	Allegheny and Brandywine Series 2008 A-1 and A-2 Total Without Donor Restrictions	Commonwealth Series 2013 A and 2021 C-2 Total Without Donor Restrictions	East Village Series 2012 Total Without Donor Restrictions	University Student Housing, LLC Total Without Donor Restrictions	Eliminating/ Reclass Entries	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue												
Public support:												
Contributions and fundraising	$ 66,883	$ 5,615,074	$ 5,681,957	$ -	$ -	$ -	$ -	$ -	$ -	$ 66,883	$ 5,615,074	$ 5,681,957
Contributions, noncash	1,535	1,174,194	1,175,729	-	-	-	-	-	-	1,535	1,174,194	1,175,729
Total public support	68,418	6,789,268	6,857,686	-	-	-	-	-	-	68,418	6,789,268	6,857,686
Revenue:												
Rental	-	-	-	8,751,807	13,625,410	6,884,933	2,966,472	32,228,622	-	32,228,622	-	32,228,622
Investment/interest income, net	76,548	1,708,172	1,784,720	62,089	380,170	208,583	14,732	665,574	-	742,122	1,708,172	2,450,294
Net gain on investments	-	938,703	938,703	-	-	-	-	-	-	-	938,703	938,703
Loan forgiveness	574,000	-	574,000	83,100	129,266	67,711	27,700	307,777	-	881,777	-	881,777
Other income (loss)	323,211	(4,701)	318,510	249,204	511,606	241,521	83,479	1,085,810	-	1,409,021	(4,701)	1,404,320
Grants and contracts	4,778,099	274,834	5,052,933	-	-	-	-	-	(704,732)	4,073,367	274,834	4,348,201
Change in fair value of interest rate swap liability	-	-	-	-	5,161,150	-	-	5,161,150	-	5,161,150	-	5,161,150
Change in value of split-interest agreements	-	15,415	15,415	-	-	-	-	-	-	-	15,415	15,415
Net assets released from restrictions	6,705,962	(6,705,962)	-	-	-	-	-	-	-	6,705,962	(6,705,962)	-
Total revenue	12,457,820	(3,773,539)	8,684,281	9,146,200	19,807,602	7,402,748	3,092,383	39,448,933	(704,732)	51,202,021	(3,773,539)	47,428,482
Total public support and revenue	12,526,238	3,015,729	15,541,967	9,146,200	19,807,602	7,402,748	3,092,383	39,448,933	(704,732)	51,270,439	3,015,729	54,286,168
Distributions and Expenses												
Contributions transferred to West Chester University	3,219,917	-	3,219,917	-	-	-	-	-	-	3,219,917	-	3,219,917
Debt service paid to West Chester University	-	-	-	-	161,626	83,640	33,918	279,184	-	279,184	-	279,184
Distributions to affiliates	95,880	-	95,880	-	-	-	-	-	-	95,880	-	95,880
Total distributions	3,315,797	-	3,315,797	-	161,626	83,640	33,918	279,184	-	3,594,981	-	3,594,981
Expenses:												
Salaries and benefits	3,368,049	-	3,368,049	450,811	704,564	367,028	149,987	1,672,390	-	5,040,439	-	5,040,439
Bad debt expense	566,328	-	566,328	30,527	45,611	(11,276)	1,126	65,988	-	632,316	-	632,316
Contracted services	169,762	-	169,762	548,893	883,704	456,043	183,400	2,072,040	(200,000)	2,041,802	-	2,041,802
Depreciation and amortization	257,803	-	257,803	1,825,801	2,277,119	1,298,688	610,503	6,012,111	-	6,269,914	-	6,269,914
Endowment management fees	504,732	-	504,732	-	-	-	-	-	(504,732)	-	-	-
Office expense and subscriptions	547,647	-	547,647	81,520	150,743	97,227	23,952	353,442	-	901,089	-	901,089
Events, travel, meals and entertainment	719,595	-	719,595	477	802	482	159	1,920	-	721,515	-	721,515
Insurance and property tax	48,387	-	48,387	136,809	323,165	117,652	42,397	620,023	-	668,410	-	668,410
Interest	82,522	-	82,522	1,030,955	3,393,854	1,774,532	493,243	6,692,584	-	6,775,106	-	6,775,106
Legal and audit	55,153	-	55,153	18,736	43,610	32,855	18,144	113,345	-	168,498	-	168,498
Contributions and sponsorships	117,158	-	117,158	-	-	-	-	-	-	117,158	-	117,158
Postage and printing	109,212	-	109,212	285	453	232	99	1,069	-	110,281	-	110,281
Repairs and maintenance	74,441	-	74,441	708,266	987,106	495,991	298,820	2,490,183	-	2,564,624	-	2,564,624
Ground lease and other rental operating	-	-	-	344,146	399,270	199,309	149,252	1,091,977	-	1,091,977	-	1,091,977
Scholarships	1,313,513	-	1,313,513	408,140	500,336	256,052	60,420	1,224,948	-	2,538,461	-	2,538,461
Utilities	52,361	-	52,361	586,312	540,264	312,431	202,733	1,641,740	-	1,694,101	-	1,694,101
Total expenses	7,986,663	-	7,986,663	6,171,678	10,250,601	5,397,246	2,234,235	24,053,760	(704,732)	31,335,691	-	31,335,691
Total distributions and expenses	11,302,460	-	11,302,460	6,171,678	10,412,227	5,480,886	2,268,153	24,332,944	(704,732)	34,930,672	-	34,930,672
Changes in net assets (deficit)	1,223,778	3,015,729	4,239,507	2,974,522	9,395,375	1,921,862	824,230	15,115,989	-	16,339,767	3,015,729	19,355,496
Net Assets (Deficit), Beginning	4,848,482	44,224,799	49,073,281	(6,842,916)	(30,920,487)	(6,706,448)	(287,976)	(44,757,827)	-	(39,909,345)	44,224,799	4,315,454
Net Assets (Deficit), Ending	$ 6,072,260	$ 47,240,528	$ 53,312,788	$ (3,868,394)	$ (21,525,112)	$ (4,784,586)	$ 536,254	$ (29,641,838)	$ -	$ (23,569,578)	$ 47,240,528	$ 23,670,950

APPENDIX L

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $ _____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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