

NEW ISSUE – BOOK ENTRY ONLY

RATING: See “RATING” herein

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, (i) interest on the Series 2025 Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2025 Bonds, and such interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as, defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax on such corporations, and (ii) interest on the Series 2025 Bonds is exempt from all present State of Georgia income taxation, all subject to the qualifications described herein under the heading “TAX MATTERS.”



\$38,995,000*
DEVELOPMENT AUTHORITY OF COBB COUNTY
Lease Revenue Bonds
(KSU Summit II Student Housing Project)
Series 2025

Dated: Date of Issuance

Due: July 15, as shown on inside front cover

The proceeds of the Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025 (the “Series 2025 Bonds”) will be loaned by the Development Authority of Cobb County (the “Issuer”) to KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”), a Georgia limited liability company whose sole member is Kennesaw State University Foundation, Inc., a Georgia nonprofit corporation (the “Foundation”), pursuant to a Loan Agreement dated as of April 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower and will be used by the Borrower for the purpose of (i) financing the cost of acquiring, constructing and equipping a student housing facility consisting of approximately 462 beds to be located on the Kennesaw campus of Kennesaw State University (the “Project”), (ii) funding capitalized interest for the Series 2025 Bonds and (iii) paying all or a portion of the costs of issuing the Series 2025 Bonds. Under the terms of the Loan Agreement, the Borrower is obligated to pay the Issuer amounts sufficient to enable the Issuer to pay the principal of and interest on the Series 2025 Bonds. The Borrower’s obligation to repay the loan made by the Issuer with respect to the Series 2025 Bonds will be evidenced by a promissory note (the “Series 2025 Note”) delivered by the Borrower to the Issuer and endorsed by the Issuer to the order of the Trustee. The obligations of the Borrower under the Loan Agreement will be secured by a Leasehold Deed to Secure Debt, Assignment of Rents and Leases, Security Agreement, and Fixture Filing dated as of April 1, 2025 from the Borrower in favor of the Trustee.

The Series 2025 Bonds will be issued pursuant to a Trust Indenture dated as of April 1, 2025 (the “Indenture”), between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Series 2025 Bonds are limited obligations of the Issuer payable from the “Trust Estate,” which includes all rights, title and interest of the Issuer in the Loan Agreement (except for Unassigned Rights as defined therein) and the Series 2025 Note, including all payments thereunder and all amounts on deposit from time to time in the funds created under the Indenture. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS” herein.

THE SERIES 2025 BONDS, TOGETHER WITH ALL PRINCIPAL AND INTEREST THEREON WITH RESPECT THERETO ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE INDENTURE, AND WILL BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE LOAN AGREEMENT AND THE TRUST ESTATE (AS DEFINED IN THE LOAN AGREEMENT), AND FROM CERTAIN FUNDS AND ACCOUNTS PLEDGED TO THE TRUSTEE UNDER THE INDENTURE AND DESCRIBED THEREIN. THE SERIES 2025 BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF GEORGIA, COBB COUNTY, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE OF GEORGIA WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR ARE THEY A CHARGE AGAINST THE PROPERTY, A PLEDGE OF THE FAITH AND CREDIT, GENERAL CREDIT OR TAXING POWER, IF ANY, OF THE STATE OF GEORGIA, COBB COUNTY, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE OF GEORGIA, NOR WILL ANY OF THE FOREGOING BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. UNDER THE TERMS OF THE INDENTURE, THE ISSUER MAY ISSUE ADDITIONAL BONDS WHICH MAY BE SECURED ON A PARITY WITH THE SERIES 2025 BONDS.

The Series 2025 Bonds will only be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”). Payment of the principal of and interest on the Series 2025 Bonds will be made by the Trustee directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2025 Bonds, and will be subsequently disbursed by Cede & Co. to DTC Participants and thereafter to Beneficial Owners of the Series 2025 Bonds, all as further described herein. See “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System of Registration” herein. Interest on the Series 2025 Bonds will be payable semiannually on each January 15 and July 15, commencing July 15, 2025. See “DESCRIPTION OF THE SERIES 2025 BONDS” herein.

The Series 2025 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2025 BONDS – Redemption Provisions” herein.

Kennesaw State University and the Board of Regents of the University System of Georgia will not have any obligation with respect to the Series 2025 Bonds, the financing of the Project and will not have any legal or moral obligation to rent the Project in a manner supportive of the creditworthiness of the Series 2025 Bonds.

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY FOR OR TERMS OF THE SERIES 2025 BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and to approval of the legality of the Series 2025 Bonds and certain other matters by Butler Snow LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Issuer by Seyfarth Shaw LLP, Atlanta, Georgia; for the Borrower by Schulten Ward Turner & Weiss, LLP, Atlanta, Georgia; and for the Underwriter by Kutak Rock LLP, Atlanta, Georgia. Becker Capital and Finance, Atlanta, Georgia, serves as financial advisor to the Borrower. The Series 2025 Bonds are expected to be available for delivery to the Trustee on behalf of DTC under the DTC FAST system of registration on or about April 8, 2025.

RAYMOND JAMES®

March __, 2025

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

<u>Maturity (July 15)¹</u>	<u>Principal Amount¹</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP²</u>
2027	\$ 595,000			
2028	625,000			
2029	660,000			
2030	690,000			
2031	725,000			
2032	760,000			
2033	800,000			
2034	840,000			
2035	880,000			
2036	925,000			
2037	970,000			
2038	1,020,000			
2039	1,070,000			
2040	1,125,000			
2041	1,180,000			
2042	1,240,000			
2043	1,300,000			
2044	1,370,000			
2045	1,435,000			
\$8,235,000 ¹	_____ %	Term Bond due July 15, 2050 ¹ ,	Priced to Yield: _____ %,	CUSIP: _____
\$12,550,000 ¹	_____ %	Term Bond due July 15, 2056 ¹ ,	Priced to Yield: _____ %,	CUSIP: _____

¹ Preliminary, subject to change.

² CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Series 2025 Bonds. Neither the Issuer nor the Underwriter is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2025 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2025 Bonds 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 the Series 2025 Bonds.

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Series 2025 Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Series 2025 Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Information contained herein has been obtained from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation of, the Underwriter. The Underwriter has provided the following sentence for inclusion in this 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 laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. 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 the affairs of the Borrower, the hereinafter defined University, the hereinafter defined Board of Regents or the Issuer or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

The Series 2025 Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained in such Acts.

In making an investment decision, investors must rely on their own examination of the Borrower, the University, the Issuer, the Board of Regents of the University System of Georgia and the State of Georgia and the terms of the offering, including the merits and risks involved. The Series 2025 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 Official Statement. Any representation to the contrary is a criminal offense. Neither the delivery of this Official Statement nor the sale of any of the Series 2025 Bonds implies that the information herein is correct as of any time subsequent to the date hereof.

No registration statement relating to the Series 2025 Bonds has been filed with the Securities and Exchange Commission (the "SEC") or with any state securities agency. The Series 2025 Bonds have not been approved or disapproved by the SEC or any state securities agency, nor has the SEC or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Preliminary Official Statement has been deemed final by the Issuer and the Borrower for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

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OFFICIAL STATEMENT

\$38,995,000*

**Development Authority of Cobb County
Lease Revenue Bonds
(KSU Summit II Student Housing Project)
Series 2025**

INTRODUCTION

General

This Official Statement, including the cover page and Appendices, is furnished in connection with the offering of \$38,995,000* in aggregate principal amount of Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025 (the “Series 2025 Bonds”). Capitalized terms used in this Official Statement and not otherwise defined herein are defined in the hereinafter defined Indenture and the hereinafter defined Loan Agreement included in Appendix A-1 – “FORM OF TRUST INDENTURE” and Appendix A-2 – “FORM OF LOAN AGREEMENT,” respectively.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement prior to making an investment decision. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement, including the Appendices hereto.

The Issuer

The Development Authority of Cobb County (the “Issuer”) is a public body corporate and politic of the State of Georgia (the “State”) duly created and validly existing pursuant to the Development Authorities Law, Section 36-62-1 *et seq.*, as amended, Official Code of Georgia Annotated (the “Act”), and a resolution adopted by the Board of Commissioners of Cobb County, Georgia on March 13, 1973. See “THE ISSUER” herein.

The Borrower

KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”) is a limited liability company organized and existing under the laws of the State which has Kennesaw State University Foundation, Inc. (the “Foundation”) as its sole member. The Foundation is a nonprofit corporation organized and existing under the laws of the State which is recognized by the Internal Revenue Service as an exempt organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Foundation’s primary purpose is furthering the interests of Kennesaw State University (the “University” or “KSU”). The Borrower’s primary purpose is leasing, constructing and maintaining the Project (hereinafter defined). See “THE BORROWER” herein.

The University

The University is a unit of the University System of Georgia. As of the fall of 2024, the University enrolled 47,845 students and had 1,372 full-time instructional faculty members. The University offers a wide array of baccalaureate degree programs, including majors in the arts, humanities,

* Throughout this Preliminary Official Statement, an asterisk indicates that the information is preliminary and subject to change.

social sciences, mathematics, natural sciences, accounting, business fields, teacher education specialties, computing and information systems, engineering, architecture and construction management and nursing, master's degree programs, including education specialties, accounting, business fields, public administration, professional writing and nursing, and four doctoral programs. The University's two campuses are located approximately 9 miles apart in Kennesaw, Georgia on an approximately 405-acre tract of land and Marietta, Georgia on an approximately 197-acre tract of land. See "THE UNIVERSITY" herein.

The Series 2025 Bonds

The Series 2025 Bonds will be issued pursuant to a Trust Indenture dated as of April 1, 2025 (the "Indenture") between the Issuer and Wilmington Trust, National Association, Iselin, New Jersey, as trustee (the "Trustee"). The Series 2025 Bonds are limited obligations of the Issuer payable from the "Trust Estate," which includes all rights, title and interest of the Issuer in the hereinafter defined Loan Agreement (other than Unassigned Rights as defined therein) and Series 2025 Note (hereinafter defined), including all payments thereunder and all amounts on deposit from time to time in the funds created under the Indenture. See "DESCRIPTION OF THE SERIES 2025 BONDS" and "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

Purpose of the Series 2025 Bonds

The proceeds of the Series 2025 Bonds will be loaned by the Issuer to the Borrower pursuant to a Loan Agreement dated as of April 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower and will be used by the Borrower for the purpose of (i) financing the cost of acquiring, constructing and equipping a student housing facility consisting of approximately 462 beds to be located on the Kennesaw campus of the University (the "Project"), (ii) funding capitalized interest for the Series 2025 Bonds and (iii) paying all or a portion of the costs of issuing the Series 2025 Bonds. See "THE PROJECT" herein. Under the terms of the Loan Agreement, the Borrower will pay the Issuer amounts sufficient to enable the Issuer to pay the principal of and interest on the Series 2025 Bonds.

Tax Matters

In the opinion of Butler Snow LLP, Atlanta, Georgia ("Bond Counsel"), assuming continuing compliance with certain covenants by the Issuer and the Borrower, under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2025 Bonds is exempt from all present State of Georgia income taxation. For a more complete description of such opinions, certain qualifications related to such opinions, and certain other tax consequences incident to the ownership of the Series 2025 Bonds, see the caption "TAX MATTERS" herein. Also, see "APPENDIX E" for the proposed form of opinion of Bond Counsel.

Ground Lease and Rental Agreement

On or prior to the date of issuance and delivery of the Series 2025 Bonds, the Board of Regents of the University System of Georgia (the "Board of Regents") will lease to the Borrower the real property upon which the Project will be located, including all improvements on such real property, pursuant to a ground lease, and the Board of Regents will lease the Project from the Borrower pursuant to a rental agreement. See "GROUND LEASE" and "RENTAL AGREEMENT" herein.

Continuing Disclosure Undertaking

The Borrower has covenanted for the benefit of the owners of the Series 2025 Bonds in a Disclosure Dissemination Agreement (the “Disclosure Agreement”) with Digital Assurance Certification LLC (“DAC”) to provide (a) certain financial information and operating data relating to the Borrower (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB) and (b) notices of the occurrence of certain events (the “Event Notices”) to the MSRB. The Borrower’s undertaking to provide Operating and Financial Data and Event Notices pursuant to the Disclosure Agreement is described in the form of the Disclosure Agreement attached as Appendix F. The covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

The Borrower has not entered into a continuing disclosure undertaking previously; however, other Georgia limited liability companies for which the Foundation is the sole member (the “Related LLCs”) have agreed previously to comply with continuing disclosure undertakings pursuant to the Rule. The Related LLCs filed the University’s annual financial statements for fiscal year 2020 in a timely manner; however, such annual financial statements were not linked to all of the appropriate CUSIP numbers on EMMA in a timely manner. Instead, the University’s annual financial statements for fiscal year 2020 were linked to all appropriate CUSIP numbers as of December 30, 2024. Except as described in the two immediately preceding sentences, the Related LLCs have filed all financial information and operating data required to be filed during the past 5 years with the MSRB in a timely manner. The Related LLCs have put in place procedures, so that future annual reports will continue to be sent to the MSRB and linked to the appropriate CUSIP numbers in a timely manner.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Borrower, the University, the Series 2025 Bonds and the security and sources of payment for the Series 2025 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Indenture, the Loan Agreement, the Security Deed, the Ground Lease, the Rental Agreement and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2025 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of such contracts and other documents and information are available, upon request and upon payment to the Trustee of a charge for copying, mailing and handling, from the Trustee at 99 Wood Avenue South, 10th Floor, Iselin, New Jersey 08830, Attention: Institutional Client Services – Public Finance and Agency, Telephone: (732) 476-6541, Facsimile: (732) 476-6065. During the period of offering of the Series 2025 Bonds copies of such documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing and handling, from the Underwriter at Raymond James & Associates, Inc., 3050 Peachtree Road NW, Suite 702, Atlanta, Georgia 30305, Telephone: (404) 279-5724.

THE ISSUER

The Issuer is a public body corporate and politic created pursuant to the Act. The affairs of the Issuer are conducted by seven voting members who are appointed pursuant to the provision of the Act. Pursuant to the provisions of the Act and the Revenue Bond Law, Section 36-82-60 *et seq.*, as amended, Official Code of Georgia Annotated, the Issuer is authorized to issue its revenue bonds and lend the

proceeds of such revenue bonds for the purpose of paying all or part of the cost of any project, including the acquisition, construction, and installation of land, buildings, equipment, and furniture for the essential public purpose of the development of trade, commerce, industry and employment opportunities. A project may be for any use provided that a majority of the members of the Issuer determine that the project and such use would further the public purposes of the Act, and the members of the Issuer have made such a determination with respect to the financing of the Project.

THE SERIES 2025 BONDS, INCLUDING INTEREST THEREON, WILL CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER AND WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE, COBB COUNTY, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR ARE THEY A CHARGE AGAINST THE PROPERTY, A PLEDGE OF THE FAITH AND CREDIT, GENERAL CREDIT OR TAXING POWER, IF ANY, OF THE STATE, COBB COUNTY, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE, NOR WILL ANY OF THE FOREGOING BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. THE SERIES 2025 BONDS AND THE INTEREST THEREON WILL 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 may 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 Series 2025 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 Series 2025 Bonds.

THE BORROWER

The Borrower

The Borrower is a limited liability company organized and existing under the laws of the State which has the Foundation as its sole member.

The Borrower was formed on February 21, 2024 for the purpose of, among other things, engaging in any lawful act or activity and exercising any powers permitted of limited liability companies under the laws of the State of Georgia to provide for acquiring, owning, constructing, equipping and maintaining the Project, ground leasing the real property on which the Project will be located from the Board of Regents, renting the Project to the Board of Regents and executing, delivering, performing and complying with all of its duties and obligations under the Ground Lease, the hereinafter defined Rental Agreement, the Loan Agreement, the Series 2025 Note (hereinafter defined), the Security Deed (hereinafter defined), the Disclosure Agreement and any other document entered into by the Borrower in connection with the issuance of the Series 2025 Bonds and the financing of the acquisition, construction and equipping of the Project.

The Foundation

The Foundation is a nonprofit corporation organized and existing under the laws of the State which is recognized by the Internal Revenue Service as an exempt organization described under Section 501(c)(3) of the Code. Initially incorporated in 1969 as The Kennesaw Junior College Foundation, Inc., the Foundation's legal name is now Kennesaw State University Foundation, Inc.

The Foundation was formed for the purpose of doing any and all legal things or acts to provide support to the University which the trustees of the Foundation deem to be in the best interests of the University, including but not limited to, the following: (i) to administer with fiduciary care the assets of the Foundation for the long-term enhancement of the University; (ii) to provide volunteer leadership and assistance to the University in its development and fundraising activities; and (iii) to provide broad advice, consultation and support to the President of the University.

The business and affairs of the Foundation are managed by a Board of Trustees consisting of no fewer than 50 or more than 95 members. The Foundation has delegated to the Executive Committee of the Board of Trustees, currently consisting of 18 members, the authority and power to take all actions on behalf of the Foundation, excluding the following matters which must be approved by the Board of Trustees: (i) election, appointment or removal of trustees on the Board of Trustees; (ii) election, appointment or removal of members of the Executive Committee or filling vacancies on the Executive Committee; (iii) election of officers; (iv) approval or recommendation to the Board of Trustees of the dissolution, merger or the sale, pledge or transfer of all or substantially all of the Foundation's assets; (v) adoption, amendment or repeal of the Foundation's articles of incorporation or bylaws; and (vi) election of chair and vice chair of the Board of Trustees and chairs and vice chairs of all standing committees.

The following are the names and principal occupation of the officers (all of whom are trustees) and trustees of the Foundation.

<u>Name</u>	<u>Office</u>	<u>Occupation/Employer</u>
Mr. Theodore L. Parrish	Chair	President & Chief Investment Officer, Parrish Capital
Mrs. Jennifer Britt Fleck	Vice Chair	Region Manager, Georgia Power Company
Mr. Steven I. Cadranel	Immediate Past Chair	President, Arris Realty Partners
Mr. Andre Schnabl	Treasurer	Managing Director, Tenor ESOP Partners
Mr. Trenton D. Turk	Secretary	Retired – former President, GeoSurvey, Ltd.
Ms. Angie Alexander	Trustee	NACF Startup Project Manager, Amazon
Mr. Luis Arriaga	Trustee	Senior Vice President Operations Strategy, UPS
Mr. Richard A. Bennett	Trustee	Co-Founding Partner, Bennett Thrasher LLP
Mr. Shailesh Bettadapur	Trustee	Vice President, Treasury and Investor Relations, Mohawk Industries
Ms. Sarah Boone	Trustee	Vice President, UBS Financial Services, Inc.
Dr. Ron L. Braund	Trustee	President, Family Business Transition
Mr. R. Allen Brooks	Trustee	President/Owner, ServIT, Inc.
Mr. Lance E. Burchett	Trustee / Ex-Officio	Vice President of Development, Kennesaw State University, and Chief Executive Officer, Kennesaw State University Foundation
Ms. Elizabeth W. Camp	Trustee	Retired
Ms. Carmen Chubb	Trustee	President, Columbia Residential
Mr. Mel C. Clemmons	Trustee	Founder, SAMM Consulting
Dr. Michael J. Coles	Trustee	Founder, Great American Cookie Company
Mr. Richard Cox	Trustee	Senior Vice President, Reservation Sales & Customer Care, Delta Air Lines
Mr. Donald E. Davidson	Trustee	Retired – former CEO, Inglett & Stubbs LLC
Mr. Stephen W. Dils	Trustee	Retired – former Principal and Managing Director, Avison Young, Inc.
Mr. James P. Dunn	Trustee	Retired – former President, Heidelberg USA
Mr. Mickey Dunn	Trustee	CEO, ML Industries, Inc.
Ms. Shelley Elder	Trustee	Attorney, Crane Elder Law Firm, LLC
Ms. Jennifer Ellis	Trustee	Vice President, Genuine Auto Parts
Ms. Connie L. Engel	Trustee	Partner, Childress Klein Properties, Inc.
Ms. Heather Fortner	Trustee	CEO, SignatureFD

<u>Name</u>	<u>Office</u>	<u>Occupation/Employer</u>
Mr. Rick Hamilton	Trustee	Chief Financial Officer, Mirasco, Inc.
Mr. Joseph J. Handy	Trustee	CEO, Clearwater Marine Aquarium
Ms. Stacy Haubenschild	Trustee	Principal/COO, Hennsler Financial
Mr. William M. Hayes	Trustee	CEO, Northside Hospital-Cherokee
Mr. Frank M. Howard	Trustee	Retired – Senior Vice President and Treasurer, Genuine Parts Company
Mr. Barry Hyman	Trustee	Principal, Veracor
Mr. Don Johnson	Trustee	Retired – former Agent, State Farm Insurance
Mr. Douglas E. Jones	Trustee	Retired – former Executive Vice President and Chief Production Officer, The Southern Company
Mr. Randolph Koporc	Trustee	Regional President, Fifth Third Bank
Mr. Lawrence P. Kraska	Trustee	CEO, AQUA Dermatology
Mr. Rob Leven	Trustee	Chief Investment Officer, Procaccianti Companies
Mr. Benjamin L. Looper	Trustee	CEO, Southeast Restoration Group
Ms. Beth Lowry	Trustee	Executive Vice President, Holder Construction
Mr. Caric Martin	Trustee	Director Statewide Engagement, Georgia’s Own Credit Union
Mr. David McCoy	Trustee	Retired
Mr. David Millican	Trustee	Vice President Restaurant Development, Chick-fil-A
Ms. Judith Moen	Trustee	Retired Broadcaster
Mr. Siddhartha Mookerji	Trustee	Managing Partner, Silicon Road Ventures
Mrs. Alana Mueller	Trustee	Partner, Bennett Thrasher LLP
Mr. Francisco Borja Olano	Trustee	Owner, Holy Family Counseling Center
Mrs. Deborah H. Pike	Trustee	Owner, Meritage Restaurant Group
Mr. James Chris Pike	Trustee	Owner, Landscaper’s Select
Dr. Ivan Pulinkala	Trustee / Ex-Officio	Provost and Senior Vice President for Academic Affairs, Kennesaw State University
Mr. Norman J. Radow	Trustee	CEO, The Radco Companies, LLC
Mr. Lee Rhyant	Trustee	President, LER Solutions, LLC
Ms. Candice L. Saunders	Trustee	President and CEO, WellStar Health Systems, Inc.
Dr. Kathy Schwaig	Trustee / Ex-Officio	President, Kennesaw State University
Mr. Douglas Shore	Trustee	Retired – former Investor/Advisor, B-to-B Media
Mr. Richard S. Siegel	Trustee	Partner, Med Advisory Partners, LLC
Ms. Robyn Smith	Trustee	Executive Vice President, Jackson Healthcare
Mr. J. Larry Stevens	Trustee	Retired
Ms. Tracy Styf	Trustee	Executive Director, Town Center Community Improvement District
Mr. Darrell Sutton	Trustee	Principal, Sutton Law Group
Ms. Valery Voyles	Trustee	Chairman and CEO, Ed Voyles Automotive Group
Mr. David R. Walens	Trustee	CEO, Exploring, Inc.
Ms. Catherine Land Waters	Trustee	Retired – former President, Southeast Gas Engineering
Mr. Tim Wilkerson	Trustee	Senior Vice President, The Home Depot
Mr. Mark Wilson	Trustee	Chief Impact Officer, VXI Global Solutions

Following is information about the Chief Executive Officer of the Foundation:

Lance Burchett, Vice President for University Advancement and Chief Executive Officer of the Foundation. Mr. Burchett began working at the University in December 2018 and oversees alumni and constituent relations, development, advancement services, and the Foundation, which was founded in 1969 and has over \$500 million in assets. As the University’s Chief Development Officer, Mr. Burchett has overall responsibility for directing and coordinating all fundraising affiliated with the University. A 34-year veteran of higher education, Mr. Burchett began his career at the University of Arkansas – where he was a two-time Phi Beta Kappa graduate (bachelor’s degree and master’s degree) and a walk-on

quarterback under then head coach Lou Holtz. Mr. Burchett has had management and leadership roles in fundraising initiatives that have raised over \$750 million and has led three major fundraising campaigns since inception. An active Rotarian with more than 30 years of perfect attendance, Mr. Burchett is a Paul Harris Fellow and has received Rotary International's Presidential Citation Award. He also has the uncommon distinction of serving as President of 3 Rotary Clubs in 3 different states (Arkansas, Florida, Missouri).

THE UNIVERSITY

Introduction

KSU was chartered in 1963 as a two-year unit of the University System of Georgia and began classes in September 1966 with an initial student enrollment of 1,014 and moved to its campus located in Kennesaw, Georgia in January 1967.

Southern Polytechnic State University ("SPSU"), located on approximately 197 acres in the City of Marietta, Georgia, approximately 15 miles northwest of the City of Atlanta, was one of the member institutions of the University System of Georgia. SPSU was founded in 1948 as a two-year division of The Georgia Institute of Technology. SPSU became accredited as a four year college in 1970, and in 1980, it separated from The Georgia Institute of Technology and became an independent unit of the University System of Georgia. In 1996, SPSU became a university.

On November 12, 2013, the Board of Regents voted to approve the consolidation of KSU and SPSU into one new consolidated institution (the "Consolidated Institution" or the "University") to be named Kennesaw State University. The Southern Association of Colleges and Schools approved the consolidation plan in December 2014, and the Board of Regents approved the Consolidated Institution on January 6, 2015. KSU and SPSU began operating as the Consolidated Institution when classes began for the fall semester in August 2015.

As of the fall of 2024, the University enrolled 47,845 undergraduate and graduate students, including approximately 9,117 freshman students. The University had 1,372 full-time instructional faculty members in the fall of 2024, of which approximately 80% held doctoral degrees. The equivalent full-time student to full-time faculty ratio for the University is approximately 23:1. The University's primary mission is to provide a challenging and facilitative collegiate environment that fosters high-quality academic preparation, critical thinking, global and multi-cultural perspectives, effective communication and interpersonal skills, leadership development, social responsibility and lifelong learning in a "living and learning" environment.

The University's mission is consistent with the core missions of the University System of Georgia and the senior universities within the system. The foundation for all undergraduate majors is a comprehensive and coherent general education program that promotes internationalized and connected learning in the liberal arts tradition. The University offers a wide array of baccalaureate degree programs, including majors in the arts, humanities, social sciences, mathematics, natural sciences, accounting, business fields, teacher education specialties, computing and information systems, engineering, architecture and construction management and nursing. The University also offers professional master's degrees in education specialties, accounting, business fields, computer science, information systems, applied statistics, public administration, professional writing, conflict resolution, social work, and nursing. In 2006, the Board of Regents approved the University's request to establish its first doctoral program, a Doctor of Education in Leadership for Learning, and today, the University offers five doctoral programs. Incoming doctoral students may pursue concentrations in elementary and early childhood education, adolescent education – mathematics and English / language arts, inclusive education and instructional technology. The University's Coles College of Business currently has the second highest

enrollment of any college of business in the State. The University's Bagwell College of Education awarded the highest number of education degrees in Georgia during 2023.

The University moved up to NCAA Division I athletics in 2006 after winning five National Championships (men's baseball 1996, men's basketball 2004, women's soccer 2003, women's softball 1995 and 1996) over 11 years in Division II as well as 26 NCAA regional titles and 38 Peach Belt Conference titles. The University now competes in the Conference USA Conference for all sports, including football which was added as an intercollegiate sport in September 2015.

The University's two campuses are located approximately 9 miles apart in Kennesaw, Cobb County, Georgia on approximately 405 acres and in Marietta, Cobb County, Georgia on approximately 197 acres. The University serves a diverse student body including students from the northern suburbs of Atlanta and extending into northwest Georgia. It includes young adults who enroll as freshmen or undergraduate transfers and an equally large number of older adults who return or transfer to the University at different stages in their lives for undergraduate or graduate study. There are approximately 1,609 international students from more than 100 countries currently enrolled at the University. The majority of the University's undergraduates (approximately 74%) enroll on a full-time basis. A significant portion of graduate students (approximately 60% pursue their academic goals on a part-time basis because of job, family and civic responsibilities. Many students pursue professionally oriented degrees, especially at the graduate level. Evening and weekend programs accommodate experienced professionals seeking academic advancement. The amount of space dedicated to instructional and support functions has grown to approximately 3.8 million square feet on its Kennesaw campus and approximately 873,575 square feet on its Marietta campus. A full range of recreational facilities for students, faculty and staff complement the University's core academic facilities, including a student recreation and activities center on its Kennesaw campus consisting of approximately 55,591 square feet plus an expansion to such student recreation and activities center on its Kennesaw campus consisting of approximately 127,202 square feet and an outdoor swimming pool.

In addition to its core academic programs, the University's Community and Professional Education designs and delivers a wide range of career and life enrichment programs, offers 38 professional certificate programs in fields such as technology, healthcare, and business, sponsors online, hybrid, in-class and custom executive education programs, and provides dozens of education-based experiences for people of all ages through its Osher Lifelong Learning Institute and SummerU programs.

State appropriations fund about 33% of the University's annual operating budget, and approximately 31% of the University's total annual operating costs is supported through tuition and fees, including mandatory fees. The remainder of the operating costs is funded from sponsored operations and other sources. In-state undergraduate tuition and required fees are currently approximately \$6,948 per year (2 semesters full-time at 30 credit hours); out-of-state tuition and required fees are approximately \$21,858 per year. The University and the Board of Regents have closely monitored the University's tuition increases in relation to the marketplace and the students' ability to pay.

The State offers the HOPE Scholarship which is available to any Georgia resident who graduates from an accredited high school located in Georgia with a B average and maintains a B average in college. See "-Financial Aid" below.

On-Campus Student Housing Program

The University housing capacity is currently 5,912 beds with 4,200 beds on its Kennesaw campus and 1,712 beds on its Marietta campus. The Project, with 462 beds to be located on the Kennesaw campus, is expected to be completed and available for occupancy in Fall 2026. The University's housing capacity in the Fall 2026 is expected to increase to 6,374 on-campus beds following the completion of the construction of the Project plus the 656 off-campus beds at the Bixby Kennesaw (described below) located across the street from the University's football stadium.

All on-campus residence halls are operated by the University’s Housing and Residence Life. Approximately 36% of first-time, first-year (freshman) degree-seeking students and 12% of all undergraduates live on campus. Incoming freshmen whose major is located on the Marietta campus are required to live on campus. However, students enrolled at the Kennesaw campus are not required to live on-campus housing during the first year of enrollment. The Project, a 462-bed student housing facility, will be located on the Kennesaw campus. All of the University’s residence hall rooms, suites and apartments feature furnishings, air-conditioning, high-speed Wi-Fi and all utilities. Common areas include kitchens, laundry rooms, meeting rooms, computer labs and lounges. There are numerous off-campus housing options including apartments and rental houses.

The following table shows occupancy and available beds information for the University’s on-campus housing facilities for fall 2024:

<u>Community</u>	<u>Campus</u>	<u>Available Beds</u>	<u>Occupancy</u>	<u>Occupancy Rate (%)</u>
Austin Residence Complex I	Kennesaw	696	673	96.7
Austin Residence Complex II	Kennesaw	451	438	97.1
KSU Place	Kennesaw	551	542	98.3
The Summit ⁽¹⁾	Kennesaw	508	505	99.4
University Village ⁽¹⁾	Kennesaw	1,079	1,069	99.1
University Village Suites ⁽¹⁾	Kennesaw	915	912	99.7
Hornet Village ⁽¹⁾	Marietta	602	593	98.5
Howell Hall ⁽¹⁾	Marietta	288	288	100.0
University Columns	Marietta	120	117	97.5
University Commons	Marietta	288	284	98.6
University Courtyard	Marietta	414	408	98.6
Total		<u>5,912</u>	<u>5,829</u>	<u>98.6</u>

⁽¹⁾ First year students only.

The waitlist for on-campus student housing beds at the University at the beginning of each Fall semester (i.e., as of August 5th) for the past three years was as follows: (1) 2022 – 1,954 students; (2) 2023 – 3,433 students; and (3) 2024 – 4,220 students.

In addition to the University’s on-campus housing described above, KSU Bixby Real Estate Foundation, LLC, a Georgia limited liability company whose sole member is the Foundation, and an affiliate of the Borrower, acquired an existing student housing facility known as the “Bixby Kennesaw” (the “Bixby Kennesaw”) from a private owner in December 2024. The Bixby Kennesaw opened in August 2020, consists of 656 beds and is located at 3061 George Busbee Parkway NW, Kennesaw, Georgia, across the street from the University’s football stadium. KSU Bixby Real Estate Foundation, LLC’s primary purpose is leasing and maintaining the Bixby Kennesaw with the assistance of a third-party manager for the benefit of the University.

On-Campus Parking

The following parking decks are located on the University’s Kennesaw campus: (1) the North Parking Deck which consists of 1,516 spaces; (2) the East Parking Deck which consists of 1,472 spaces; (3) the West Parking Deck which consists of 768 spaces and; (4) the Central Parking Deck, a parking deck facility located on a site on the northeast side of the University’s campus which consist of 2,722 spaces. The University also provides on-campus surface parking consisting of approximately 3,616 spaces and off-campus shuttle parking consisting of 2,345 spaces in various lots located near classroom buildings, administrative facilities, and student housing for a total of approximately 12,439 spaces on the Kennesaw campus. In addition, the University has one parking deck consisting of 851 spaces and on-campus surface parking consisting of 3,297 spaces in various lots for a total of approximately 4,148 spaces on its Marietta campus.

Administration

Following is information about the President and a portion of the President's Cabinet, the senior administrative body of the University.

Kathy S. Schwaig, President. Kathy S. Schwaig became the sixth president of the University on an interim basis beginning in 2021 and on a permanent basis beginning in 2022. Under her leadership, the University has launched Taking Flight, a new strategic plan aimed at achieving national prominence and inclusive excellence. During Dr. Schwaig's tenure, the University has embarked on a comprehensive student success initiative, established more than 50 new undergraduate and graduate degrees and minors, professional programs, and credentials for in-demand fields, launched FLIGHT — a class-year, student success engagement program for first-year students focused on community, progress, and retention, realized an 81% increase in external research awards, and more than doubled research expenditures. The University has also made significant investments in academic, research, and technology infrastructure and facilities, including nearly 20 capital projects that have enhanced the learning, living, and working environments on both campuses. Dr. Schwaig also oversaw the University's move to Conference USA and relaunched HatchBridge, a community-focused business incubator.

Dr. Schwaig's presidency began during the private phase of The Campaign for KSU, the University's first-ever comprehensive campaign. During her tenure, the University secured the largest gift in the University's history and successfully increased average annual fundraising by nearly 250%. When the campaign went public in 2023, the University raised the campaign's goals from \$125 million to \$200 million, including a \$30 million campaign goal for KSU Athletics, a first for the University.

Dr. Schwaig has served in several senior administration roles in her more than two decades of service to the University. She served as Provost and Senior Vice President for Academic Affairs from 2019 to 2021. As Provost, she led the development of the R2 Roadmap to enhance undergraduate and graduate education and research and facilitated the University's transition to a formal research (R2) institution. Dr. Schwaig also led an extensive faculty hiring initiative, launched the Double Owl program, expanded the KSU Journey Honors College, and established the Provost Leadership Fellows and the Women's Leadership Academy.

Prior to serving as Provost, Dr. Schwaig was the dean of the Michael J. Coles College of Business, where she was named the Dinos Eminent Scholar Chair of Entrepreneurial Management. Dr. Schwaig oversaw the creation of the College's first doctoral program, increased educational opportunities for entrepreneurs, and achieved the top ranking in Georgia for the College's MBA programs. Dr. Schwaig is a professor of information systems with research focusing on the strategic and ethical implications of computer technology. She is published in key academic journals in her field, including the Journal of Management Information Systems and Information Systems Research.

Dr. Schwaig received the Oscar Burnett Award for Distinguished Achievement in Business from the Morris Brown College Foundation, the Cobb Executive Women's Glass Ceiling Award, and Atlanta Magazine's Women Making a Mark Award. A dedicated community partner and volunteer, she is the chair of Select Cobb and serves on the Executive Committee for the Board of Directors of the Cobb Chamber of Commerce and the Board of Directors for the Metro Atlanta Chamber of Commerce. She previously served on boards for the Cobb Community Foundation, Mount Paran Christian School, Children's Healthcare of Atlanta – Cobb County, Junior Achievement of Georgia, Engage Scholarship Consortium, and the Alliance for Children Everywhere.

A native of central Texas, Dr. Schwaig holds a BBA in Accounting and an MBA in Information Systems from Baylor University, a Master of Liberal Arts from Johns Hopkins University, and a Ph.D. in Information Systems from the University of South Carolina.

Tricia Chastain, Executive Vice President and Chief Business Officer. Tricia Chastain joined the University in May 2019 and initially served as the Vice President of Administration. In 2022, Ms. Chastain was named Executive Vice President and Chief Business Officer of the University, which role includes oversight of all non-academic departments including human resources, finance and accounting, procurement payroll, facilities, event and venue management, project management and campus services, including housing/residence life, the bookstore, dining services, parking and transportation and the health clinic. Ms. Chastain has 20 years of experience in federal and state government. She has served as President of the Georgia Student Finance Commission, which oversees the administration of the HOPE Scholarship program and 20 additional state and lottery-funded scholarship and loan programs. Prior to joining the University, Ms. Chastain served as Executive Vice Chancellor of Administration of the University System of Georgia.

Dr. Ivan Pulinkala, Provost and Executive Vice President of Academic Affairs. Dr. Ivan Pulinkala serves as the Executive Vice President of Academic Affairs for the University. Dr. Pulinkala founded the Program in Dance at the University in 2005, serving as the Director until 2012 and as the Chair of the Department of Dance at the University from 2012-2018. Dr. Pulinkala was named the Interim Dean of the College of the Arts at the University in 2018 and appointed as the Dean of the College of the Arts in 2019. He served as the University's interim Provost from July 2021 until he officially assumed the role of Provost and Executive Vice President of Academic Affairs for the University in December 2022. Dr. Pulinkala received his Doctorate in Higher Education Administration from the University of Alabama, his Master of Fine Arts in Dance from Mills College in Oakland, California, and his Bachelor of Commerce (Honors) from Hindu College, Delhi University.

Dr. Pulinkala is credited with developing Georgia's largest collegiate dance program at the University, building the program's state-of-the-art studio facility at Chastain Pointe and creating Atlanta's only discipline-specific Dance Theatre on the University's Marietta campus. KSU Dance has received regional and national attention for Dr. Pulinkala's choreographic work, with three successive Kennedy Center selections at the National American College Dance Association (ACDA) and five ACDA Regional Gala selections across the Southeast. Dr. Pulinkala's choreographic commissions include works for The Israel Ballet, Atlanta Ballet, Fresco Dance-Israel, the Alliance Theatre, Atlanta Gay Men's Chorus, Georgia Shakespeare, City Lights Youth Theatre, as well as collegiate commission at Washington University at St. Louis, Shanghai Normal University, Brigham Young University, Georgia Institute of Technology, University of South Carolina, Western Kentucky University, Middle Tennessee State University, University of Tennessee at Martin, Vanderbilt University and Spelman College.

Dr. Pulinkala was selected for the Accelerated Leadership Academy at the University System of Georgia in 2017, the Executive Leadership Institute at the University System of Georgia in 2013, awarded the KSU Foundation Award in 2011, the Clendenin Graduate Fellowship at KSU in 2010, 2011 and 2012, the NEA American Masterpiece Grant in 2010, the Cobb Symphony Orchestra Award for Artistic Excellence in 2010 and the Board of Regents award for Teaching Excellence from Murray State University in 2005. Originally from New Delhi, Dr. Pulinkala was the artistic director of his own dance company for three years in India, served as choreographer-in-residence for Delhi Music Theatre for five years, and was named among the 25 Indian artists of the Millennium by the *India Today Magazine* in its December 1999 issue.

Enrollment

As of Fall 2024, total undergraduate and graduate enrollment at the University was 47,845. The following table sets forth the University's fall semester enrollment during the past five years:

<u>Fall of Year</u>	<u>Undergraduate Headcount Enrollment</u>	<u>Graduate Headcount Enrollment</u>	<u>Full Time Equivalent Enrollment</u>
2020	37,390	3,791	36,738
2021	38,968	4,010	38,293
2022	39,005	4,263	38,575
2023	40,591	4,561	40,357
2024	42,840	5,005	42,410

The number of University students taking courses 100% online during the past five years was as follows: (1) Fall 2020 – 15,504; (2) Fall 2021 – 8,771; (3) Fall 2022 – 8,732; (4) Fall 2023 – 9,322; and (5) Fall 2024 – 10,328.

Admissions

The following tables demonstrate the freshman acceptance and matriculation rates at the University during the past five years:

<u>Fall</u>	<u>Applicants</u>	<u>Acceptances</u>	<u>Acceptance Rate (%)</u>	<u>Matriculants</u>	<u>Matriculation Rate (%)¹</u>
2020	18,601	15,460	83%	8,018	52%
2021	20,806	16,975	82%	8,628	51%
2022	21,106	14,320	68%	7,024	49%
2023	23,138	16,008	69%	8,234	51%
2024	34,699	23,995	69%	9,117	38%

¹ The Matriculation Rate is calculated by dividing the number of Matriculants (i.e., freshman students enrolled) by the number of students accepted.

Student Quality

The following chart sets forth the average composite SAT scores of beginning freshmen at the University for the past five years:

<u>Fall</u>	<u>University</u>	<u>State</u>	<u>United States</u>
2020	1111	1053	1051
2021	1149	1086	1060
2022	1120	1060	1050
2023	1122	1054	1028
2024	1111	1039	1024

Tuition and Fees

The following table describes the undergraduate tuition (12 hours per semester) and the graduate tuition (9 hours per semester) for the 2020 through 2024 fall semesters for the University. The total required fees for the 2024 fall semester was \$624.

<u>Fall</u>	<u>In State Tuition</u>		<u>Out of State Tuition</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
2020	\$2,225	\$2,664	\$7,852	\$9,594
2021	2,225	2,664	7,852	9,594
2022	2,225	2,664	7,852	9,594
2023	2,225	2,664	7,852	9,594
2024	2,280	2,727	8,244	9,594

Financial Aid

The University makes every effort to assist those individuals requiring financial assistance based on need and/or merit via scholarships, grants, loans and work study programs. For the 2023-2024 academic year approximately 76% of the University’s students received some type of financial aid.

The State, through the Georgia Student Finance Commission (“GSFC”), offers the Helping Outstanding Pupils Educationally (“HOPE”) Program to financially assist qualified Georgia residents in the pursuit of a post high school education. Revenues from the Georgia Lottery for Education fund all HOPE Program assistance. The HOPE Program offers the HOPE Scholarship and the Zell Miller Scholarship to qualified undergraduate students enrolled in Georgia public and private universities and colleges.

All eligible Georgia residents who graduate from an accredited high school located in Georgia with at least a 3.0 cumulative grade point average (“GPA”) based on a 4.0 point scale (as computed by GSFC) who enrolls in an eligible public or private university or college located in Georgia is eligible for a HOPE Scholarship if the student meets all other eligibility requirements. Each HOPE Scholarship recipient must maintain a 3.0 cumulative GPA while attending college. Eligible Georgia residents who graduate from high school with a GPA below 3.0 (as computed by GSFC) can become eligible for the HOPE Scholarship following enrollment in a Georgia university or college if he or she attains a 3.0 cumulative GPA after completing 30, 60 or 90 semester credit hours, or 45, 90 or 135 quarter credit hours and who meet all other eligibility criteria.

Prior to the fall of 2011, the HOPE Scholarship provided tuition, the partial cost of mandatory fees and a \$150 per semester book allowance. Beginning in 2007, the State changed its method for calculating high school GPA for purposes of determining HOPE Scholarship eligibility. This change in the GPA calculation formula for the HOPE Scholarship limits the courses considered in such calculation to core curriculum high school coursework, including English, mathematics, science, social science and foreign language courses, and in the Fall 2007, this GPA calculation change resulted in fewer HOPE Scholarship eligible Freshman in Georgia as compared to the immediately preceding years.

In 2011, the General Assembly of the State of Georgia (the “Georgia General Assembly”) modified the HOPE Program to reduce the amount of the HOPE Scholarship award for an eligible student attending a Georgia college or university from 100% of tuition plus mandatory fees and a book allowance to approximately 87% of tuition for fiscal year 2012 and approximately 85% of tuition for fiscal year 2013 (based upon a formula tied to actual Georgia Lottery revenues calculated annually). The HOPE Scholarship no longer pays for the partial cost of mandatory fees or a book allowance. In addition, the 2011 modification to the HOPE Program created the Zell Miller Scholarship for any eligible Georgia resident who graduates from an accredited high school located in Georgia with at least a 3.7 cumulative GPA based on a 4.0 point scale (as computed by GSFC) and scores at least 1,200 on the SAT or 26 of the

ACT and enrolls in a public or private university or college located in Georgia. Students may also qualify for the Zell Miller Scholarship by being the valedictorian or salutatorian of their high school class. Each Zell Miller Scholar must maintain a 3.3 cumulative GPA while attending college. The award amounts for Zell Miller Scholarship are higher than those for the HOPE Scholarship, and Zell Miller Scholars who attend a public college or university in Georgia receive full tuition.

Beginning in the Fall term of 2017, specific degree-level science, technology, engineering and mathematics courses identified as leading to high demand career fields in the State and taken at a HOPE and Zell Miller Scholarship eligible postsecondary institution will have an additional weight of 0.5 added to grades of B, C and D.

Approximately 82% of first-time freshmen enrolled at the University in Fall 2024 were HOPE scholarship recipients. Approximately 53% of all University students were HOPE scholarship eligible in Fall 2024.

Financial Information

The audited financial statements of the University for the fiscal year ended June 30, 2024 are attached as Appendix B. Set forth below is a summary of the revenues, expenses and changes in net assets of the University for fiscal years ended June 30, 2021, June 30, 2022, June 30, 2023 and June 30, 2024 as derived from the University's audited financial statements. **This financial information is provided for informational purposes only. No revenues of the Board of Regents or the University are pledged as security for the Series 2025 Bonds.**

GASB 68 Reporting. Governmental Accounting Standards Board Statement 68, Accounting and Financial Reporting for Pensions ("Statement 68") requires certain employers to record a liability and expense on their financial statements in an amount equal to their proportionate share of the net pension liability and expense of any cost-sharing, multiple-employer retirement plans, beginning with fiscal years beginning after June 15, 2014. For the University, GASB requires that, beginning with the fiscal year ended June 30, 2015, the University report as a liability its proportionate share of the net pension liability of the Teachers' Retirement System ("TRS") and the Employees' Retirement System and the Employee's Retirement System ("ERS"), which caused reported liabilities to increase, and net position to decrease, as compared to prior years, when proportionate share of net pension liability was not reported. As of June 30, 2024, the University's portion of the University System's net pension liability was \$310,473,943 (discount rate of 6.9%) with respect to TRS and \$432,446 (discount rate of 7.0%) with respect to ERS. See Note 14 to the University's audited financial statements for the fiscal year ended June 30, 2024 attached as Appendix B hereto.

GASB 75 Reporting. For fiscal year 2018, the University made prior period adjustments to its financial statements due to the implementation of Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the restatement of the June 30, 2017 net position. This restatement resulted in a decrease in net position at July 1, 2017 of \$233,768,669 attributable to the accrual of the University's proportionate share of the net other post-employment benefit liability for the Board of Regents Retiree Health Benefit Plan.

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Statement of Revenues, Expenses and Changes in Net Position of University

<u>OPERATING REVENUES</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Student Tuition and Fees(net) ¹	\$212,828,241	\$218,264,783	\$202,238,021	\$203,780,409
Grants and Contracts				
Federal	2,575,048	6,158,453	9,482,128	10,825,316
State	903,992	1,006,798	2,319,735	2,473,200
Other	10,194,628	10,504,844	12,407,096	13,526,867
Sales and Services	10,815,155	15,884,443	15,756,494	16,446,440
Rents and Royalties	701,177	579,210	617,112	525,001
Auxiliary Enterprises				
Residence Halls	14,73,262	18,199,555	22,738,721	23,803,688
Bookstore	11,184,388	13,138,460	14,311,589	16,004,931
Food Services	15,338,776	24,358,746	26,728,134	30,691,559
Parking/Transportation	8,258,822	10,761,165	11,142,585	10,608,479
Health Services	2,831,056	3,556,667	3,658,245	3,799,292
Intercollegiate Athletics	12,937,916	16,649,441	16,402,099	16,563,117
Other Organizations	5,341,970	8,250,200	8,605,974	7,731,098
Other Operating Revenues	1,417,622	(764,225)	(2,343,447)	(2,211,385)
Total Operating Revenues	<u>\$310,062,053</u>	<u>\$346,548,540</u>	<u>\$344,064,486</u>	<u>\$354,568,012</u>
<u>OPERATING EXPENSES</u>				
Salaries				
Faculty	\$140,051,999	\$154,358,611	\$156,356,989	\$167,560,644
Staff	116,435,683	131,556,772	144,975,440	165,311,191
Employee Benefits	119,944,646	77,446,421	111,183,687	119,045,035
Other Personal Services	1,593,203	1,739,811	1,903,425	2,443,478
Travel	128,447	1,700,191	3,484,380	4,070,009
Scholarships and Fellowships	53,341,387	89,246,656	50,342,133	48,715,939
Utilities	11,596,893	13,143,745	12,991,947	14,364,493
Supplies and Other Services	105,787,824	136,794,734	134,522,571	153,411,994
Depreciation	32,938,061	35,475,307	38,877,667	41,571,013
Total Operating Expenses	<u>581,818,143</u>	<u>641,462,248</u>	<u>654,638,239</u>	<u>716,493,796</u>
Operating Income (Loss)	<u>(271,756,090)</u>	<u>(294,913,708)</u>	<u>(310,573,753)</u>	<u>(361,925,784)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
State Appropriations	\$144,823,673	\$187,171,258	\$232,187,066	\$250,090,056
Grants and Contracts				
Federal	112,776,178	157,551,989	99,970,474	95,603,000
State	23,573	3,668	1,853	114
Other	4,018,876	3,899,428	4,629,003	5,002,506
Gifts	5,391,997	11,264,270	15,908,972	6,037,068
Investment Income	1,616,927	(1,958,093)	6,851,908	12,095,848
Interest Expense	(12,071,172)	(10,936,692)	(11,320,996)	(10,819,162)
Other Non-Operating Revenues (Expenses)	(10,845)	(449,064)	(2,877,009)	(40,051)
Net Non-Operating Revenues	<u>256,569,207</u>	<u>346,546,764</u>	<u>345,351,271</u>	<u>357,969,379</u>
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	<u>(15,186,883)</u>	<u>51,633,056</u>	<u>34,777,518</u>	<u>(3,956,405)</u>
Capital Grants and Gifts				
State	4,539,774	44,388,895	1,048,342	3,991,463
Other	4,988,000	5,299,492	6,151,089	4,585,434
Special Item	(1,207,296)	--	(464,378)	--
Extraordinary Item	--	--	1,664,863	--
Total Other Revenues, Expenses, Gains or Losses	<u>8,320,478</u>	<u>49,688,387</u>	<u>8,399,916</u>	<u>8,576,897</u>
Increase (Decrease) in Net Position	<u>(6,866,405)</u>	<u>101,321,443</u>	<u>43,177,434</u>	<u>4,620,492</u>
Net Position – Beginning of Year, (Restated) ²	<u>17,137,383</u>	<u>14,998,202</u>	<u>116,319,645</u>	<u>159,497,079</u>
Net Position – End of Year	<u>\$10,270,978</u>	<u>\$116,319,645</u>	<u>\$159,497,079</u>	<u>\$164,117,571</u>

1 The student tuition and fees amount does not include scholarship allowances.

2 For FY 2021, the University increased the net position by \$4,727,224 related to GASB Statement No. 87 and to correct for the recognition of certain prefunded capital assets which were recorded as a lease expense.

Budgetary Process and Budget

Budgetary Process. The University is allocated funds in accordance with the procedure described below under “BOARD OF REGENTS – State Funding for the University System of Georgia.” Once the University receives its allocation, it prepares a detailed, line-item budget for approval by the Board of Regents.

Through a collaborative process, departments at the University articulate their vision for the year; solicit, review and prioritize department level funding requests; and develop redirection plans that support the vision of the unit. The department chair/department budget manager initiates the process and submits prioritized lists to the college dean/unit director, who then submits to the division vice president. It is recommended that deans/directors and vice presidents convene college or division meetings for the purpose of allowing departments to share their priorities and to begin the process of establishing college and division priorities.

Deans, president’s direct reports, and vice presidents review departmental requests and establish clear priorities within their areas. These administrators are responsible for prioritizing requests and communicating them within the college or division, which are then shared with each vice president and budget manager at the University. Senior leadership reviews all funding requests and finalizes campus priorities based on projected funding. After review by these officers, the operating budget is submitted to the Board of Regents for another level of review and approval. Upon approval by the Board of Regents, the budget becomes the official spending plan of the University for the upcoming fiscal year.

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Budget. Set forth below is the University’s budget for the fiscal year ending June 30, 2025.

Fiscal Year Ending June 30, 2025

Operating Revenue:		Expenditures by Function:	
State Appropriations	\$262,593,111	Instruction	\$217,186,686
Tuition	246,136,505	Research	47,544,310
Other General Funds	8,413,691	Public Service	9,508,648
Sales and Services	17,322,751	Academic Support	91,126,594
Student Activity	22,811,283	Student Services	61,181,351
Technology Fee	5,889,994	Institutional Support	67,452,399
Indirect Cost Recovery	604,413	Operations & Maintenance of Plant	71,240,516
Sponsored Funds	84,556,267	Scholarships	101,093,336
Auxiliary Enterprise	131,656,206	Auxiliary Enterprise	<u>127,020,368</u>
Special Funding Initiative	949,046		
Capital	<u>12,420,941</u>		
Total Revenue Budget	<u>\$793,354,208</u>	Total Expenses Budget	<u>\$793,354,208</u>

Athletics and Recreation

The University offers extracurricular opportunities to enrich University life and balance the demands of academic requirements. Students may join various clubs and organizations as well as participate in NCAA athletics. The University is a member of the NCAA Division I conglomerate and competes in the Conference USA for all sports. Successful since its transition, the University has won a total of 39 conference championships. The University had the most successful year in school history in 2017-18, winning seven conference championship, sending eight teams to NCAA postseason play and winning the Bill Bibb Trophy as all-sport champions of the Atlantic Sun Conference. The following year, football won the Big South Championship and advanced to the quarterfinals of the FCS Playoffs for the second straight year, finishing number four in the country. Women’s golf captured the Atlantic Sun Conference Championship and advanced to the NCAA Tournament where it finished 14th at the NCAA Auburn Regional. The University’s intercollegiate athletic programs are as follows: (1) baseball (men); (2) basketball (men and women); (3) cross country (men and women); (4) football (men); (5) golf (men and women); (6) lacrosse (women); (7) soccer (women); (8) tennis (men and women); (9) track and field (men and women); and (10) softball (women).

Kennesaw, Georgia and Marietta, Georgia

The City of Kennesaw and the City of Marietta, Georgia are located in Cobb County, Georgia, part of the densely populated and rapidly developing northwest region of greater metropolitan Atlanta, Georgia. Kennesaw is located near Interstate Highway 75, a major north-south interstate highway from Michigan to Florida. The City of Marietta is located approximately 15 miles northwest of the City of Atlanta, Georgia, and the City of Kennesaw is located approximately 9 miles north of the City of Marietta.

THE BOARD OF REGENTS

THE BOARD OF REGENTS HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO THE SERIES 2025 BONDS OR TO CONTINUE TO RENT THE PROJECT IN A MANNER SUPPORTIVE OF THE CREDITWORTHINESS OF THE SERIES 2025 BONDS.

All of the information concerning the Board of Regents contained in this Official Statement has been obtained by the Borrower from publicly available sources, and the Board of Regents has no obligation to the owners of the Series 2025 Bonds to update such information. Neither the Board of

Regents nor the University has made any representation as to the accuracy or completeness of any of the information contained in this Official Statement.

General

The Board of Regents is a constitutional body of the State of Georgia. It governs, controls and manages all of the 26 public institutions of higher education within the University System of Georgia (the “University System”). The Board of Regents receives appropriations from the State of Georgia in a lump sum, based upon an enrollment-driven formula for the University System. The Board of Regents then allocates the funds to member institutions of the University System.

Members

The 19 members of the Board of Regents are appointed by the Governor of the State and confirmed by the Senate on a rotating basis to serve seven-year terms. The Board of Regents is composed of one member from each of the State’s 14 congressional districts and additional members appointed from the state-at-large. The Board of Regents conducts its operations through its staff and elects a Chancellor, who serves as its chief executive officer and as the chief administrative officer of the University System. In the history of the Board of Regents, 13 individuals, including the incumbent, have served as Chancellor.

On March 1, 2022, the Board of Regents named former United States Secretary of Agriculture and former Georgia Governor George Ervin “Sonny” Perdue III as Chancellor of the University System. Dr. Perdue began his duties as the University System’s 14th Chancellor on April 1, 2022. The Board of Regents began its national search in January 2021, following an announcement by then Chancellor Steve Wrigley that he would retire on July 1, 2021. In the interim, Executive Vice Chancellor for Administration Teresa MacCartney served as acting Chancellor.

Dr. Perdue served as the United States Secretary of Agriculture from 2017 to 2021 where he managed a workforce of 110,000 employees at the U.S. Department of Agriculture and led efforts to stabilize and secure the food supply chain during the pandemic. From 2003 to 2011, Dr. Perdue served two terms as the 81st Governor of the State of Georgia during which period Dr. Perdue helped to reform the State budget and focused on eliminating wasteful government spending. Dr. Perdue served in the Georgia Senate from 1991 to 2001, where he chaired the Senate Higher Education Committee and eventually became Senate President Pro Tem. During his tenure in the Georgia Senate, Dr. Perdue and his fellow lawmakers worked with Governor Zell Miller to craft the innovative HOPE Scholarship program for Georgia students which launched in 1993. Dr. Perdue earned a degree in veterinary medicine from the University of Georgia College of Veterinary Medicine in 1971 and worked as a veterinarian and an agribusiness owner.

Set forth below are the members of the Board of Regents, their respective districts, and terms of office:

Set forth below are the members of the Board of Regents, their respective districts and terms of office:

<u>Regents</u>	<u>District</u>	<u>Term</u>
Erin Hames	State-at-Large	January 18, 2023 – January 1, 2030
James M. Hull	State-at-Large	January 18, 2023 – January 1, 2030
Samuel D. Holmes	State-at-Large	July 16, 2019 – January 1, 2026
Deep J. Shah	State-at-Large	April 19, 2024 – January 1, 2027
Neil L. Pruitt, Jr.	State-at-Large	January 27, 2022 – January 1, 2027
Patrick C. Jones	First District	June 30, 2025 – January 1, 2032
Chris Cannon	Second District	January 30, 2025 – January 1, 2032
Mat Swift	Third District	January 5, 2024 – January 1, 2031
Cade Joiner	Fourth District	January 27, 2022 – January 1, 2026
T. Dallas Smith, <i>Chair</i>	Fifth District	January 3, 2020 – January 1, 2027
Thomas L. Bradbury	Sixth District	April 19, 2024 – January 1, 2029
Richard T. Evans	Seventh District	January 9, 2022 – January 1, 2029
Hayes M. Studstill	Eighth District	January 30, 2025 – January 1, 2032
James K. Syfan, III	Ninth District	January 9, 2022 – January 1, 2029
Harold Reynolds	Tenth District	January 3, 2020 – January 1, 2027
David B. Dove, <i>Vice Chair</i>	Eleventh District	April 19, 2024 – January 1, 2031
C. Everett Kennedy, III	Twelfth District	January 3, 2020 – January 1, 2027
Dan Murphy	Thirteenth District	April 19, 2024 – January 1, 2028
Lowery Houston May	Fourteenth District	January 3, 2020 – January 1, 2027

University System

The University System consists of the Georgia Archives, the Georgia Public Library Service and 26 public institutions of higher learning, which consist of four research universities (Augusta University, Georgia Institute of Technology, Georgia State University and the University of Georgia); four comprehensive universities (Georgia Southern University, Kennesaw State University, University of West Georgia and Valdosta State University); nine state universities (Albany State University, Clayton State University, Columbus State University, Fort Valley State University, Georgia College & State University, Georgia Southwestern State University, Middle Georgia State University, Savannah State University and University of North Georgia); and nine state colleges (Abraham Baldwin Agricultural College, Atlanta Metropolitan State College, College of Coastal Georgia, Dalton State College, East Georgia State College, Georgia Gwinnett College, Georgia Highlands College, Gordon State College and South Georgia State College). For fall 2024, these institutions enrolled 364,725 students. As of fall 2023, the University System employed 11,451 full time instructional faculty and 280 temporary faculty members and 5,285 non-instructional faculty and other non-faculty status staff members to provide teaching and related services to students and the communities in which they are located.

All of the property of the constituent institutions comprising the University System is owned or leased by the Board of Regents. The President of each institution in the University System is the executive head of the institution and all of its departments. Each President is responsible to the Chancellor for the operation and management of the institution he or she leads and for the execution of the directives of the Chancellor and the Board of Regents.

Public Private Venture Program

According to the Board of Regents' Finance Office, as of June 30, 2024, the Board of Regents had 146 rental agreements for lease-revenue financed facilities throughout the University System in the

Public Private Venture (“PPV Program”). As of June 30, 2024, the total outstanding principal amount of bonds that are secured by PPV Program capital leases with the Board of Regents was approximately \$2.4 billion.

On November 13, 2012, the Board of Regents adopted three policy additions and one policy revision that governs the University System’s PPV Program. These policies (a) set a maximum capital liability capacity of 5% of annual revenues for the University System as a whole, (b) establish a University System of Georgia Capital Liability Reserve Fund (the “Capital Liability Reserve Fund”) to serve as a pooled reserve to primarily address unanticipated shortfalls in rental payments, (c) require the University System’s Central Office to review any proposed refinancing of a project financed through the PPV Program, to ensure that at least 50% of savings generated from refinancing are retained by the University System or its members, and (d) revise the University System’s current student housing policy to require University System institution presidents to notify the Chancellor of the Board of Regents prior to mandating the students live in on-campus housing or changing an existing residency policy and gives the Chancellor authority to reverse such decisions.

The Capital Liability Reserve Fund serves as a common reserve that is available to subsidize rental payments under a rental agreement (including the Rental Agreement) that may be deficient because of unforeseen events that negatively affect the revenues of a given project. Although project revenues are not specifically pledged to the payment of rent obligations under a rental agreement, the revenues generated by the facility financed are intended to cover the rent payments. The amount on deposit in the Capital Liability Reserve Fund fluctuates depending upon the amount of PPV debt outstanding at any given time. Contributions are generally 8% of the highest annual lease payments for auxiliary projects. The Capital Liability Reserve Fund was funded in an amount equal to \$19.4 million as of June 30, 2024. Loans to institutions from the Capital Liability Reserve Fund must be requested by the institution president and chief business officer. For more information, see http://www.usg.edu/business_procedures_manual/section25/C2459.

Funding for the University System

The Constitution of the State of Georgia requires that all appropriations made for the use of any or all institutions in the University System be paid to the Board of Regents in a lump sum with the power and authority residing in the Board of Regents to allocate and distribute the appropriations among the institutions under its control in such way and manner and in such amounts as will further efficient and economical administration of the University System.

Each year the Board of Regents compiles the budget requests of all member colleges and universities and presents a total funding request for the University System to the Governor. The Governor reconciles the State of Georgia’s available resources with total requests and submits a budget proposal to the Georgia General Assembly. Upon adoption of the budget by the Georgia General Assembly, the Board of Regents receives a lump sum amount of funding for the University System. The Board of Regents then allocates and disburses these funds to the individual institutions. These allocations are used by the individual institutions to prepare detailed line-item budgets for consideration by the Board of Regents. Upon approval by the Board of Regents, the budgets are relied upon by each institution to monitor and manage their economic resources.

As with all State agencies, the Board of Regents is funded on an annual appropriation basis. In addition, funds that are appropriated in any fiscal year by the General Assembly to a state agency may not, in every case, be allotted to that agency by the Governor’s Office of Planning and Budget. For fiscal years ended June 30, 2020 through June 30, 2024, the appropriation allotments of State funds to the Board of Regents equaled the amended budgeted appropriation amounts or contained small administrative adjustments not of a material amount.

The following table summarizes the original and amended budgeted appropriations of State funds to the Board of Regents for the fiscal years ended June 30, 2021 through June 30, 2024 and ending June 30, 2025 and June 30, 2026:

<u>Fiscal Year Ended June 30,</u>	<u>Original Budgeted Appropriation</u>	<u>Amended Budgeted Appropriation</u>	<u>\$ Change between Original and Amended Appropriations</u>	<u>% Increase over Prior Year Amended Budgeted Appropriation</u>
2021	\$2,299,998,820	\$2,374,902,374	\$ 74,903,554	--
2022	2,457,473,476	2,762,544,026	305,070,550	16.32
2023	3,119,200,668	3,251,105,521	131,904,853	17.69
2024	3,184,870,919	3,303,631,114	118,760,195	1.62
2025	3,389,252,304	3,407,577,805	18,325,501	3.15
2026	3,604,842,035			

Source: State Accounting Office – Fiscal Years 2022-2024; Governor’s Budget Report for Amended FY 2025 and FY 2026.

Although the ultimate level of appropriations to the Board of Regents for the current and future fiscal years is determined by the Georgia General Assembly, general fund appropriations are constrained by the balanced budget requirement imposed by the Constitution and laws of the State.

There can be no assurance that a future Georgia General Assembly will continue to make appropriations as current levels, whether due to declining revenues resulting from unfavorable economic conditions, a change in philosophy as to the size of the State’s government or other reasons. Likewise, there can be no assurance that the Board of Regents will allocate funds to renew the Rental Agreement, whether due to declining appropriations from the State, reduced need for the property rented by the Board of Regents, declining enrollment at the University or other reasons.

State Treasury Receipts

The following table sets forth by category the budget-based State Treasury Receipts available for appropriation by the State for the three fiscal years ended June 30, 2022 through June 30, 2024 and the estimated budget-based State Treasury Receipts available for appropriation for the fiscal years ending June 30, 2025 and June 30, 2026.

	Fiscal Year Ended or Ending June 30,				
	2022	2023	2024	2025 ⁽²⁾ (budget)	2026 ⁽²⁾ (budget)
Alcoholic Beverages Tax	\$ 228,617,334	\$ 227,079,482	\$ 223,548,760	\$ 220,813,608	\$ 218,155,374
Estate Tax	—	—	—	—	—
Income Tax – Corporate	2,509,683,080	3,807,573,351	3,614,952,904	3,440,615,393	3,254,360,783
Income Tax – Individual	18,286,845,422	16,969,071,606	16,018,874,571	15,655,705,563	15,693,797,140
Insurance Premium Tax and Fees	643,223,392	680,839,774	769,487,323	681,208,843	750,707,907
Motor Fuel Taxes	1,602,054,203	837,218,224	1,759,944,320	2,162,688,178	2,308,243,731
Motor Vehicle License Tax	413,341,250	407,303,337	408,566,270	410,759,549	413,046,876
Title Ad Valorem Tax	799,185,363	831,320,119	862,654,069	860,972,700	884,110,448
Property Tax – General and Intangible	378,280	164,501	230,360	—	—
Sales and Use Tax – General	8,316,950,628	8,918,944,437	9,004,591,344	9,185,373,642	9,434,974,148
Tobacco Products Tax	<u>238,573,964</u>	<u>235,580,018</u>	<u>223,106,723</u>	<u>215,515,979</u>	<u>208,224,970</u>
Total Net Taxes	33,038,852,913	32,915,094,849	32,885,956,644	32,833,653,455	33,165,621,377
Total Interest, Fees and Sales	<u>1,896,002,400</u>	<u>3,029,443,964</u>	<u>3,555,775,611</u>	<u>2,903,672,343</u>	<u>2,732,335,889</u>
Total State General Fund Receipts	34,934,855,313	35,944,538,813	36,441,732,255	35,737,325,798	35,897,957,266
Total Other Revenues Retained ⁽¹⁾	<u>1,661,617,397</u>	<u>1,762,397,758</u>	<u>1,770,991,684</u>	<u>1,726,521,253</u>	<u>1,813,247,935</u>
Total State Treasury Receipts	<u>\$36,596,472,710</u>	<u>\$37,706,936,571</u>	<u>\$38,212,723,939</u>	<u>\$37,463,847,051</u>	<u>\$37,711,205,201</u>

⁽¹⁾ “Total Other Revenues Retained” includes Federal Revenue, Lottery Funds, Tobacco Settlement Funds, Guaranteed Revenue Debt Common Reserve Fund Interest Earnings, Brain and Spinal Injury Trust Fund, National Mortgage Settlement Funds, Safe Harbor for Children Trust Fund and Other.

⁽²⁾ Governor’s Budget Report for Amended FY 2025 and FY 2026; however, the amounts shown for FY 2025 and FY 2026 reflect budgeted amounts and do not reflect actual receipts.

Note: Amounts may not add precisely due to rounding.

Source: State Accounting Office – Fiscal Years 2022-2024; Governor’s Budget Report for Amended FY 2025 and FY 2026.

Student Financial Aid

The State, through the Georgia Student Finance Commission, offers the HOPE Scholarship Program (“HOPE Scholarship Program”) to financially assist qualified Georgia residents in the pursuit of a post high school education. Revenues from the Georgia Lottery for Education fund all HOPE Scholarship Program assistance. The HOPE Scholarship Program offers the HOPE Scholarship and the Zell Miller Scholarship to qualified undergraduate students enrolled in Georgia public and private universities and colleges. Since the HOPE Scholarship Program began in 1993, more than \$13.7 billion in scholarships have been awarded to more than 2.1 million students attending Georgia’s colleges, universities and technical colleges.

Effective July 1, 2011, the HOPE Scholarship Program began imposing additional restrictions on HOPE Scholarship qualifications, such as requiring advanced courses for high school students wishing to benefit from the HOPE Scholarship Program and by allowing students who have lost HOPE Scholarship eligibility to subsequently regain eligibility only one time. The HOPE Scholarship also ceased awarding scholarships for the full tuition amount and no longer pays for mandatory student fees or books. Instead, the HOPE Scholarship pays a per credit hour amount at a rate determined by the State.

In 2016, the General Assembly further modified various provisions regarding the HOPE Scholarship Program pursuant to House Bill 801. This legislation included certain changes to encourage students to enroll in academically rigorous courses in science, technology, engineering and mathematics, and requires that the HOPE Scholarship amount be a flat percentage of tuition at all schools. The

legislation became effective beginning with students graduating from high school on or after May 1, 2017.

GROUND LEASE

Introduction

Pursuant to a Ground Lease to be dated on or prior to the date of issuance and delivery of the Series 2025 Bonds (the “Ground Lease”) between the Board of Regents, as lessor, and the Borrower, as lessee, the Board of Regents leases the real property on which the Project will be located, including all improvements on such real property, to the Borrower. The land subject to the Ground Lease consists of approximately 0.47 acres. The following summary of the Ground Lease does not purport to be a comprehensive or definitive statement of the provisions of the Ground Lease. The form of the Ground Lease is attached to this Official Statement as Appendix C.

Term

The primary term of the Ground Lease will end on June 30, 2056 unless sooner terminated as provided in the Ground Lease. The primary term of the Ground Lease will be extended by the Board of Regents upon the written request of the Borrower for a period of up to five years if on the original termination date there is outstanding any obligation of the Borrower to pay amounts secured by the hereinafter defined Security Deed.

Rent

Under the Ground Lease, the Borrower is obligated to pay as rent to the Board of Regents, as lessor, the sum of \$10.00 per year and as additional rent, all costs and expenses which the Board of Regents incurs as a result of any default of the Borrower or failure on the part of the Borrower to comply with any provisions of the Ground Lease.

RENTAL AGREEMENT

The Borrower and the Board of Regents will enter into a Rental Agreement to be dated on or prior to the date of issuance and delivery of the Series 2025 Bonds (the “Rental Agreement”), pursuant to which the Board of Regents leases the Project from the Borrower for the benefit of the University. The initial term of the Rental Agreement will commence on the first day of the first month following substantial completion of the construction and equipping of the Project, but not earlier than July 1, 2026, and will end on June 30, 2027, and the Board of Regents will be required to pay fixed semi-annual rental payments during such initial term on December 1, 2026 and June 1, 2027, respectively. The Board of Regents will have the right to renew or extend the rental term of the Rental Agreement on a year-to-year basis for additional and consecutive one-year renewal terms beyond its initial term for a term not to exceed June 30, 2056, provided that notice of the Board of Regents’ desire to exercise such option will be given to the Borrower at least 60 days prior to the expiration date of the immediately preceding initial term or renewal term. A copy of a substantially final form of the Rental Agreement is attached to this Official Statement as Appendix D.

The Board of Regents will be required to continue to pay fixed semi-annual rental payments for the Project in the amounts and on the dates described in the Rental Agreement. Assuming that the Board of Regents exercises each of its annual renewal options under the Rental Agreement, the Borrower expects that such semi-annual rental payments, together with the capitalized interest funded with a portion of the proceeds of the Series 2025 Bonds, will be sufficient, in both time and amount, to pay the principal of and interest on the Series 2025 Bonds when due.

Pursuant to the Rental Agreement, the Board of Regents has agreed to pay insurance, taxes, maintenance and repair costs of the Project to the extent that funds on deposit in repair, replacement and maintenance funds maintained by the Borrower are insufficient therefor; provided that the Board of Regents' obligation to pay such costs is limited to the moneys budgeted by the University in each fiscal year for such purpose which budget is subject to annual review and modification.

If the Project is damaged, by any cause whatever, as to be rendered unfit for occupancy by the Board of Regents and the Borrower does not repair the Project with reasonable promptness and dispatch, then the Board of Regents has the option to immediately cancel and terminate the Rental Agreement by giving proper notice thereof. If the Project is partially destroyed, by any cause whatever, but not rendered unfit for occupancy by Board of Regents, then the Borrower, at its expense and with reasonable promptness and dispatch, must repair and restore the Project to substantially the same condition as before the damage. If the Project is partially destroyed, there will be a fair abatement in the rent payable during the time such repairs or rebuilding is being made. Full rental will recommence after completion of the repairs and restoration of such component of the Project. The decision as to whether or not such component of the Project are fit or unfit for occupancy by the Board of Regents will be made by the Board of Regents after making a reasonable assessment of damages. The Borrower is obligated under the Loan Agreement to maintain rental interruption insurance covering 24 months of rental payments.

The Board of Regents will make an initial rent payment under the Rental Agreement in the amount of \$12,000,000 (the "Initial Rent Payment") on the date the Rental Agreement is signed by the Board of Regents and the Borrower. While the Initial Rent Payment is a payment of rent under the Rental Agreement, the Borrower has agreed that the Initial Rent Payment will be used solely for costs associated with designing, constructing and equipping the Project. In the event the Board of Regents elects not to renew the Rental Agreement during the initial nine (9) years of the term of the Rental Agreement, the Borrower has an obligation to refund to the Board of Regents a portion of the Initial Rent Payment together with accrued interest at an assumed rate of interest.

DESCRIPTION OF THE SERIES 2025 BONDS

General

The Series 2025 Bonds are being issued in the aggregate principal amount shown on the inside cover page of this Official Statement and will be dated their date of issuance. The Series 2025 Bonds will bear interest at the rates shown on the inside front cover of this Official Statement, payable on July 15, 2025 and semiannually thereafter on January 15 and July 15 of each year (each such date an "Interest Payment Date") until paid. The Series 2025 Bonds will bear interest (computed on the basis of a 360-day year comprised of twelve 30-day months) (a) from their dated date if authenticated prior to the first Interest Payment Date or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which such Series 2025 Bond is authenticated (unless such payment of interest is in default, in which case such Series 2025 Bond will bear interest from the date to which interest has been paid). Subject to the redemption provisions set forth below, the Series 2025 Bonds mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement.

Denomination; Time and Place of Payment

The Series 2025 Bonds will be issued in book-entry form in the denomination of \$5,000 or any integral multiple thereof and will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). While the Series 2025 Bonds are in book-entry form, principal of, redemption premium (if any) and interest on the Series 2025 Bonds will be made by the Trustee directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2025 Bonds, and will be subsequently disbursed by Cede & Co. to DTC Participants and thereafter to

Beneficial Owners of the Series 2025 Bonds. See “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System of Registration.”

When not in book-entry form, the following provisions will apply. Principal of and premium, if any, on the Series 2025 Bonds will be payable by check or draft to the registered owner of each Series 2025 Bond upon presentation and surrender of such Series 2025 Bond when due, at the principal corporate trust office of the Trustee or its successor in trust. Payment of interest on Series 2025 Bonds will be made to the Persons in whose names the Series 2025 Bonds are registered at the close of business on the Regular Record Date for such payment and will be paid by check or draft mailed to such Persons at their addresses as they appear on the registration books of the Issuer, irrespective of any transfer or exchange of the Series 2025 Bonds subsequent to a Regular Record Date and prior to such Interest Payment Date, by the Person in whose name the Series 2025 Bond is registered, unless the Issuer is in default in the payment of interest due on such Interest Payment Date. Upon any such default, such Defaulted Interest will be payable to the person in whose name the Series 2025 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Issuer to the registered owner not less than fifteen (15) days preceding such Special Record Date. Such notice will be mailed to the registered owner at his address as it appears in the registration books maintained by the Trustee at the close of business on the fifth (5th) day preceding the date of mailing. At the option of the registered owner of any Series 2025 Bonds, if such owner is the registered owner of not less than \$500,000 in aggregate principal amount outstanding of Series 2025 Bonds, interest will be paid by wire transfer in immediately available funds to a bank located within the continental United States in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Business Day preceding the Regular Record Date. Interest will continue to be paid in accordance with such instructions, until revoked in writing, except for the final payment of interest upon maturity or redemption prior to maturity, which will be paid only upon presentation of a Series 2025 Bond to the Trustee.

Redemption Provisions

Optional Redemption. The Series 2025 Bonds maturing on or after July 15, 20__ are subject to redemption by the Issuer, at the written direction of the Authorized Borrower Representative, prior to maturity on or after July 15, 20__ in whole or in part on any date at a redemption price equal to the principal amount of such Series 2025 Bonds to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption. As and for the retirement of Series 2025 Bonds, the Basic Loan Payments specified in the Loan Agreement which are to be deposited in the Bond Fund will include an amount sufficient to redeem in part, by lot (after credit as provided below), the following principal amounts (which include the principal amount which will be outstanding on the date of maturity) of such Series 2025 Bonds at one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date:

Series 2025 Bonds Maturing July 15, 2050*

<u>July 15 of the Year</u>	<u>Principal Amount*</u>
2046	\$1,510,000
2047	1,575,000
2048	1,645,000
2049	1,715,000

(Leaving \$1,790,000* to mature July 15, 2050)

Series 2025 Bonds Maturing July 15, 2056*

<u>July 15 of the Year</u>	<u>Principal Amount*</u>
2051	\$1,870,000
2052	1,950,000
2053	2,040,000
2054	2,130,000
2055	2,230,000

(Leaving \$2,330,000* to mature July 15, 2056)

The Issuer will be entitled to receive a credit in respect of its mandatory redemption obligation under the Indenture for Series 2025 Bonds delivered, purchased, or redeemed, as provided in the Indenture, if the Borrower at its option purchase in the open market and delivers to the Trustee for cancellation Series 2025 Bonds or redeems Series 2025 Bonds (other than through mandatory redemption under the Indenture) and such Series 2025 Bonds have not previously been applied as a credit against any mandatory redemption obligation. Each such Series 2025 Bond so purchased or redeemed will be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such mandatory redemption payment date, and any excess will be credited on future mandatory redemption obligations in chronological order, and the principal amount of such Series 2025 Bonds to be redeemed by operation of mandatory redemption and the Basic Loan Payments specified in the Loan Agreement for mandatory redemption of the Series 2025 Bonds will be accordingly reduced.

Extraordinary Redemption. The Series 2025 Bonds are subject to extraordinary redemption in whole or in part by the Issuer, at the written direction of the Authorized Borrower Representative, at a redemption price equal to the principal amount of the Series 2025 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium, in the event of: (1) damage to or destruction of the Project or any part thereof to such extent that it cannot be reasonably restored within a period of six months or the Borrower is prevented from carrying on its normal operations at the Project for a period of six consecutive months or the cost of reconstruction would exceed the Net Proceeds of insurance carried thereon by more than \$500,000; (2) condemnation of all or a portion of the Project to such extent that it cannot be reasonably restored or replaced within a period of six months or the Borrower is prevented from carrying on its normal operations at the Project for a period of six consecutive months or the cost of restoration or replacement would exceed the Net Proceeds of condemnation awards by more than \$500,000; (3) if as a result of changes to the Constitution of the United States or the State or as a result of legislative, executive or judicial action of the United States, the State or any political subdivision thereof or a regulatory body, the Loan Agreement becomes void, unenforceable or impossible of performance in accordance with the intention of the parties or unreasonably burdens or excessive liabilities are imposed on the Project by reason of the ownership thereof by the Borrower; (4) in the event Net Proceeds of the Title Policy related to the Project are used to redeem Series 2025 Bonds pursuant to the Loan Agreement or (5) from proceeds remaining in the Project Fund, if any, following the completion of the Project.

Partial Redemption. If less than all of the Series 2025 Bonds are called for redemption in any of the circumstances set forth in the Indenture, other than mandatory redemption, the Series 2025 Bonds will be redeemed as directed in writing by an Authorized Borrower Representative and if less than all of the Series 2025 Bonds of a maturity are to be redeemed, and in the case of mandatory redemption, the particular Series 2025 Bonds or portions thereof to be redeemed within a maturity will be selected by lot by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, in such manner as the Trustee determines. If a Series 2025 Bond subject to redemption is in a denomination larger than \$5,000, all or a portion of such Series 2025 Bond may be redeemed, but only in Authorized Denominations.

Notice of Redemption. While the Series 2025 Bonds are in book-entry form, notice of redemption of Series 2025 Bonds will be made by the Trustee directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2025 Bonds and will be subsequently disbursed by Cede & Co. to DTC Participants and thereafter to Beneficial Owners of the Series 2025 Bonds. See “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System of Registration.”

If any Series 2025 Bonds are called for redemption pursuant to the Indenture, notice thereof identifying the Series 2025 Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2025 Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any registered owner of Series 2025 Bonds, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2025 Bonds. Each notice will specify the CUSIP numbers of the Series 2025 Bonds being called, numbers of the Series 2025 Bonds being called, if less than all of the Series 2025 Bonds are being called, redemption date, redemption price, and place or places where amounts due upon such redemption will be payable. If the Bonds are no longer in book-entry form, such notice will further state that payment of the applicable redemption price plus accrued interest to the date fixed for redemption, if any, will be made upon presentation and surrender of the Series 2025 Bonds to be redeemed and that on the redemption date, the redemption price will become due and payable upon each Series 2025 Bond to be redeemed and that interest thereon will cease to accrue on and after such date. Any notice mailed as provided above will be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2025 Bonds actually receives the notice.

Upon the written direction of the Authorized Borrower Representative, the notice of redemption for optional redemption will contain a statement to the effect that the redemption of the Series 2025 Bonds is conditioned upon the receipt by the Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2025 Bonds to be redeemed, and that if such moneys have not have been so received, the notice will be of no force and effect and the Issuer will not be required to redeem such Series 2025 Bonds and such Series 2025 Bonds will not become due and payable.

Registration of Transfer and Exchange

While the Series 2025 Bonds are in book-entry form, the Series 2025 Bonds held by DTC (or its nominee, Cede & Co.) on behalf of the Beneficial Owners thereof are transferable upon delivery to DTC (or its nominee, Cede & Co.) of an assignment executed by the Beneficial Owner or the Beneficial Owner’s attorney (see “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System of Registration”). In the event the book-entry-only system is discontinued, the following provisions will apply. The Series 2025 Bonds may be transferred by the registered owner thereof or such owner’s attorney or legal representative duly authorized in writing, upon presentation thereof accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by such owner’s duly authorized attorney or legal representative. Any Series 2025 Bond may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Series 2025 Bonds of the same maturity and of other authorized denominations. The Trustee may charge a fee covering any taxes or other governmental charges required to be paid in connection with any exchange or registration of transfer of any Series 2025 Bond.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds, in the aggregate principal amount of such maturity, 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Borrower, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 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, Series 2025 Bond certificates are required to be printed and delivered.

The Issuer or the Borrower may decide to discontinue the use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer, the Trustee and the Borrower believe to be reliable, but none of the Issuer, the Trustee or the Borrower take responsibility for the accuracy thereof.

Bond Debt Service

The following table sets forth the scheduled annual debt service on the Series 2025 Bonds, which may be modified in the future if any portion of the Series 2025 Bonds are redeemed as described above under “-Redemption Provisions-*Optional Redemption*” or “-*Extraordinary Redemption*.”

Year Ending <u>July 15</u>	<u>Principal</u>	<u>Interest</u>	Total Annual <u>Debt Service</u>
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
TOTAL			

THE PROJECT

Estimated Sources and Uses of Funds

The proceeds to be derived from the sale of the Series 2025 Bonds are expected to be applied substantially as follows:

Sources:

Principal Amount of Series 2025 Bonds	\$_____.
Net Original Issue Premium	
Initial Rent Payment	
Total	

Uses:

Project Fund
Series 2025 Account of Bond Fund ⁽¹⁾
Costs of Issuance ⁽²⁾
Total

(1) Capitalized interest for the Series 2025 Bonds through January 15, 2027.

(2) Includes rating agency fees, legal and accounting fees, initial Trustee's fees, printing and engraving costs, validation court costs, underwriting discount and other costs of issuance, plus \$_____ for the title insurance premium and other related real estate costs.

Project Description

A portion of the proceeds of the sale of the Series 2025 Bonds, together with the Initial Rent Payment in the amount of \$12,000,000 paid by the Board of Regents to the Borrower and approximately \$2,000,000 to be contributed by the Foundation, will be used by the Borrower for the purpose of financing the cost of the acquisition, construction and equipping of the Project to be located on the Kennesaw campus of, and for use by, the University. The Borrower estimates that the total cost of the Project will be approximately \$50,000,000. The Series 2025 Bond proceeds, together with the Initial Rent Payment, are expected to be sufficient to pay the costs of constructing and equipping the Project.

The Project will consist of the construction of an approximately 96,617 square foot five-story student housing facility comprising approximately 462 beds with a combination of four bedroom / one bath (112 units) configurations for freshman students plus one bedroom / one bath (14 units) configurations primarily for resident assistants, with laundry facilities, a café and social / study spaces on each floor. The Project will be centrally located on the University's Kennesaw campus, just south of certain of the University's academic buildings for the College of Science and Mathematics, just north of the Austin Residence Complex and adjacent to The Summit which was completed in 2022. The Summit (a 508-bed student housing facility) was the first and the Project will be the second new housing constructed on the Kennesaw campus since the Austin Residence Complex Phase II that was completed in July 2012. The Borrower expects that the Project will be an economical housing option as compared to other available on-campus housing options for students who desire to live on the Kennesaw campus.

Architect Agreement

The Borrower has entered into a Design Professional Contract with Perkins and Will, Inc. (the "Architect"), dated March 15, 2024 (the "Architect Agreement"), whereby the Architect has agreed to design the Project and prepare all construction drawings and specifications for the Project. The Borrower has agreed to pay the Architect the following fees: (i) a design services fee of \$1,713,182; (ii) a

construction contract administration services fee of \$574,871; and (iii) an additional service fee of \$310,23. In addition, the Architect Agreement provides for the Architect to be compensated based on its standard hourly rates for any construction administration services performed that are in addition to those contemplated by the Architect Agreement. Pursuant to the Architect Agreement, the Architect will be required to provide evidence to the Borrower of certain insurance with respect to the Project, including professional liability insurance covering negligent acts, errors and omissions in the performance of professional services with policy limits not less than \$3 million per claim and \$4 million in the aggregate coverage.

The Architect is a full-service global design firm founded in 1935 that is based in Chicago, Illinois with more than 2,500 employees.

Construction Agreement

The Project will be constructed pursuant to a Construction Management Agreement dated March 19, 2024, as amended by Change Order No.1 dated September 23, 2024 and as further amended by a Guaranteed Maximum Price Change Order dated February 11, 2025 (collectively, the “Construction Agreement”) between the Borrower and J.E. Dunn Construction Company (the “Construction Manager”). The Construction Agreement obligates the Construction Manager to construct the Project for a guaranteed maximum price of \$38,494,857, subject to additions and deductions by change order pursuant to the Construction Agreement. The Construction Manager is obligated to achieve substantial completion not later than May 5, 2026. “Substantial completion” means that the work is sufficiently complete in accordance with the construction documents so that the owner can occupy or utilize the project for its intended use. Students will occupy the building beginning in August 2026. All punch list items are expected to be addressed by August 1, 2026. If “substantial completion” is not achieved by May 5, 2026 due to the fault of the Construction Manager, the Construction Manager will be required to provide to the Borrower as liquidated damages, at its sole cost and expense and as the Borrower’s sole and exclusive remedy for all damages that the Borrower incurs as a result of the delay, an amount equal to \$25 per bed per day; *provided that* such liquidated damages will not exceed 50% of the total contract fee (i.e., \$686,837) and *provided further* that such liquidated damages will be collected 90 days after May 5, 2026.

Pursuant to the Construction Agreement, the Construction Manager will be required to deliver payment and performance bonds with respect to the Project and provide evidence to the Borrower of certain insurance with respect to the Project, including commercial general liability and excess liability insurance.

The Construction Manager is a privately owned construction company founded in 1924 and headquartered in Kansas City, Missouri, with approximately 26 offices in 18 States nationwide, including in Atlanta, Georgia, and more than 4,000 employees.

Program Manager Contract

Pursuant to a Program Manager Contract dated as of March 15, 2024 between the Borrower and Jones Lang LaSalle Americas, Inc. (the “Program Manager”), the Program Manager will assist the Borrower with the Project by providing certain management services, including coordinating the planning, design, construction and completion of the Project. The Program Manager provides commercial real estate and investment management services to customers in more than 75 countries worldwide.

Capitalized Interest

A portion of the proceeds of the Series 2025 Bonds will be available to pay interest on the Series 2025 Bonds during construction of the Project and approximately six months thereafter (i.e., through January 15, 2027). If there is a delay in delivery of the Project, the Borrower will rely on available capitalized interest, if any, to pay debt service on the Series 2025 Bonds until rental payments under the Rental Agreement commence. See “RENTAL AGREEMENT” herein.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2025 BONDS

Trust Estate

The Series 2025 Bonds are limited obligations of the Issuer payable solely from the Trust Estate which is assigned and pledged to the Trustee by the Issuer under the Indenture. The Trust Estate is defined in the Indenture to include all of the Issuer’s right, title and interest in and to the Loan Agreement, the Series 2025 Note and all payments to be made thereunder, and all moneys and securities held from time to time in any of the funds established under the Indenture. See Appendix A-1 – “FORM OF TRUST INDENTURE.”

Limited Obligations

THE SERIES 2025 BONDS, INCLUDING INTEREST THEREON, WILL CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER AND WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE, COBB COUNTY, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR ARE THEY A CHARGE AGAINST THE PROPERTY, A PLEDGE OF THE FAITH AND CREDIT, GENERAL CREDIT OR TAXING POWER, IF ANY, OF THE STATE, COBB COUNTY, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY OF THE STATE, NOR WILL ANY OF THE FOREGOING BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. THE SERIES 2025 BONDS AND THE INTEREST THEREON WILL BE PAYABLE SOLELY FROM THE TRUST ESTATE.

The Loan Agreement and the Promissory Note

Under the Loan Agreement, to evidence its obligations under the Loan Agreement to make payments sufficient to pay the principal of and interest on the Series 2025 Bonds, the Borrower will agree to execute and deliver to the Issuer its promissory note (the “Series 2025 Note”) under which the Borrower will agree to make payments to the Issuer in such amounts and at such times as will be necessary to pay the principal of and interest on the Series 2025 Bonds. Assuming that the Board of Regents exercises each of its annual renewal options under the Rental Agreement, the Borrower expects that the semi-annual rental payments received from the Board of Regents, together with the capitalized interest funded with a portion of the proceeds of the Series 2025 Bonds, will be sufficient, in both time and amount, to pay the principal of and interest on the Series 2025 Bonds when due. See Appendix A-2 – “FORM OF LOAN AGREEMENT.”

Security Deed

To secure its payment obligations under the Loan Agreement, the Borrower will execute in favor of the Trustee a Leasehold Deed to Secure Debt, Assignment of Rents and Leases, Security Agreement, and Fixture Filing dated as of April 1, 2025 (the “Security Deed”) relating to Project with respect to the Series 2025 Note. Under the terms of the Security Deed, the Borrower has pledged and granted to the

Trustee security title in and a security interest in its leasehold interest in certain real property and the buildings thereon, including the real property on which the Project will be located. See Appendix A-3 – “FORM OF SECURITY DEED.”

Additional Bonds

The Issuer, at the request of the Authorized Borrower Representative, may issue additional bonds on a parity with the lien of the Series 2025 Bonds outstanding under the Indenture for the purpose, among other things, of making alterations or additions to the Project; provided that as a condition for the issuance of such additional bonds, such additional bond must be rated in a rating category that is not lower than the underlying rating of the Series 2025 Bonds without giving effect to any credit enhancement. See Appendix A-1 – “FORM OF TRUST INDENTURE.”

INVESTMENT CONSIDERATIONS

Investment in the Series 2025 Bonds involves certain risks. The following is a discussion of certain risk factors which should be considered in evaluating the investment quality of the Series 2025 Bonds. This discussion does not purport to be either comprehensive or definitive. The order in which the risks are presented is not intended to convey either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may be other risks associated with an investment in the Series 2025 Bonds in addition to those set forth herein.

Limitations on Board of Regents’ Obligations Under Rental Agreement; Risk of Non-Renewal

The Board of Regents has the option to renew the Rental Agreement on a year-to-year basis through June 30, 2056. The Borrower believes that the Project will aid the University in fulfilling its educational mission and that it is likely that the Board of Regents will renew the Rental Agreement for successive renewal terms through June 30, 2056; however, the renewal of the Rental Agreement during any of these successive renewal terms is at the sole option and discretion of the Board of Regents. There can be no assurance that the State and the Board of Regents will deem it in their best interests to continue to occupy and utilize the Project for the entire term of the Series 2025 Bonds. There can also be no assurance that the Board of Regents will continue to renew the Rental Agreement for each renewal term through June 30, 2056. The likelihood that the Rental Agreement will be renewed will depend upon, among other things, the continuing need of the Board of Regents for the Project, the appropriation of funds by the Georgia General Assembly to the Board of Regents in sufficient amounts to enable the Board of Regents to pay the rents due under the Rental Agreement and the Board of Regents not substituting more desirable rental space for the Project.

The Rental Agreement and the obligations thereunder do not and will not constitute a pledge, liability or a charge upon the funds of the State or the Board of Regents and do not and will not constitute a debt or general obligation of the State or the Board of Regents. Neither the faith, credit nor taxing power of the State or the Board of Regents is or will be pledged to the payment of principal of or interest due with respect to the Series 2025 Bonds.

THE BOARD OF REGENTS HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO THE SERIES 2025 BONDS OR TO CONTINUE TO RENT THE PROJECT IN A MANNER SUPPORTIVE OF THE CREDITWORTHINESS OF THE SERIES 2025 BONDS OR THE FINANCING OF THE PROJECT.

If the Rental Agreement is not renewed by the Board of Regents and, as a result, the Borrower (which has no assets other than its interest in the Project) fails to continue to make the payments required by the Loan Agreement and the Series 2025 Note from other sources, the Trustee’s sole remedy will be to

recover and liquidate, re-lease or sell the leasehold interest in the Project as provided in the Security Deed. In the event of such nonrenewal, the Board of Regents' obligation to pay the rental will continue until the expiration of the annual term then in effect but not thereafter. The Borrower will then be entitled to operate, re-lease or sell its leasehold interest in the Project; however, the Project constitutes a special purpose facility and may have limited suitability for other purposes and tenants. No assurance can be given that the Borrower could successfully operate or re-lease or sell its leasehold interest in the Project for an amount sufficient to pay debt service on the Series 2025 Bonds or that any amount realized upon a liquidation of the leasehold interest in the Project will be sufficient to provide for the payment of the Series 2025 Bonds on a timely basis.

State Budgetary Constraints

The State is required by law to operate under an annual balanced budget, in which expenditures may not exceed revenues collected by the State and any surplus revenues accrued by the State. Should the State's revenues and other sources of funds available to pay expenditures decline, it may be necessary for the Georgia General Assembly in the future to reduce appropriations to the Board of Regents, which in turn may adversely affect the ability of the Board of Regents to renew the Rental Agreement.

Reimbursement Obligations of Borrower

Under the Rental Agreement, the Borrower is obligated to reimburse the Board of Regents for any payments for insurance coverage that extend beyond the final term of such Rental Agreement, whether termination of the Rental Agreement is due to cancellation, nonrenewal or expiration. The Borrower is also required to reimburse the Board of Regents for any capital expenditures paid for by the Board of Regents having a useful life beyond the final term of the Rental Agreement, whether termination of the Rental Agreement is due to cancellation, nonrenewal or expiration and, in the event the Board of Regents elects not to renew the Rental Agreement during the initial nine (9) years of the term of the Rental Agreement, the Borrower is required to refund the Board of Regents a portion of the Initial Rent Payment, as further described under "RENTAL AGREEMENT."

In addition, the Board of Regents' obligation to pay the cost of all insurance coverages, taxes and capital repairs and replacements of the Project are limited to the moneys budgeted by the University in the applicable fiscal year for such purposes, which budget is subject to annual review and modification.

Condemnation/Casualty Risk

The Board of Regents has the right to terminate the Rental Agreement or to reduce its semi-annual rental payments if certain casualty events or condemnation proceedings occur. If these events or proceedings occur, there can be no assurance that payments under the Rental Agreement and the proceeds of business interruption insurance will be sufficient to pay debt service on the Series 2025 Bonds. In the case of a termination due to a condemnation of the Project in whole, there can be no assurance that the insurance proceeds or condemnation proceeds will be sufficient to pay the Series 2025 Bonds.

Limited Operating History

Prior to the date of issuance and delivery of the Series 2025 Bonds, the Borrower has never operated a student housing facility similar to the Project; however, several Related LLCs for which the Foundation is the sole member own certain student housing facilities located on the campus of the University. The Borrower has very limited operating history and no substantial net worth. The Borrower is relying upon the Board of Regents' agreement to rent the Project and the University to operate the Project as an integral part of the University's facilities. Neither the Board of Regents nor the University has any obligation to pay debt service on the Series 2025 Bonds.

Limited Assets of the Borrower

The Borrower's assets and revenues available to make the payments required by the Loan Agreement are limited to its interest in the Project, and the rents and revenues from the Project, including rents payable under the Rental Agreement. The Borrower has no other assets or revenues available to make payments required by the Loan Agreement or to satisfy any liabilities incurred as a result of ownership of the Project.

Limited Obligations

The Issuer has no assets with which to pay debt service on the Series 2025 Bonds except its right to receive payments pursuant to the Loan Agreement from the Borrower. Neither the Series 2025 Bonds nor the Issuer's obligation under the Indenture constitute a general obligation or other indebtedness of the Issuer, Cobb County, Georgia or the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation.

Ad Valorem Property Taxes

The Borrower believes that the Project will continue to be exempt from ad valorem property taxation because the Project will be rented by the Board of Regents for use by the University which is exempt from ad valorem property taxation. Although the Borrower believes that it has a sound basis to assert that the Project will be exempt from ad valorem property taxation, no assurance can be given that the Borrower will not have to pay ad valorem property taxes on their leasehold estate in the Project, which would reduce the Borrower's revenues available to make payments under the Loan Agreement. The Board of Regents has agreed to pay the ad valorem taxes on the Project under the Rental Agreement should any such taxes be assessed.

Environmental Issues

There are potential risks relating to liabilities for environmental conditions with respect to the ownership of real property. If hazardous substances are found to be located on property, owners of such property may be held liable for costs and other liabilities related to the presence, migration or removal of such substances, which costs and liabilities could exceed the value of the property. The Borrower is not aware of any releases of pollutants or contaminants at the site of the Project that would give rise to enforcement actions under applicable State or federal 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 Project. An affiliate of the Borrower retained NOVA Engineering and Environmental, LLC ("NOVA") to conduct a phase I environmental site assessment (the "EAS") for the site on which the Project will be located. The objective of the EAS was to identify the presence of any "recognized environmental conditions" which previously existed or existed on the date that the EAS was conducted at the sites. The term "recognized environmental conditions" is defined as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property. NOVA in its report dated April 10, 2020 delivered to an affiliate of the Borrower stated that "no on-site or off-site issues or conditions were observed during the site reconnaissance performed by NOVA personnel or in the review of regulatory databases that resulted in Recognized Environmental Conditions (RECs) at the Subject Property" and recommended "no further assessment with regard to the environmental condition of the Subject Property at this time." There can be no assurance that an enforcement action, which could result in a lien on the Project and/or foreclosure of the Project, or actions will not be instituted under such environmental statutes at a future date. In addition, there can be no assurance given that the Borrower will not encounter environmental risks in the future.

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

It has been the experience of lenders in recent years that attempts to foreclose on commercial property or otherwise realize moneys for obligations are frequently met with defensive measures, such as protracted litigation or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. The liquidation value of assets in a bankruptcy or creditors' proceeding is typically less than the replacement value of such assets for an ongoing business operation. The practical use of the Project is limited to their special use for the Board of Regents; it will not be generally suitable for commercial or industrial uses. The Borrower owns a leasehold interest (not a fee interest) in the Project. Consequently, it may be difficult to find a buyer or tenant for the Project if it were necessary to foreclose on the Project. In addition, the same factors that lead to foreclosure may substantially reduce the value of the Project. If it becomes necessary to foreclose the lien of the Security Deed on the Project, net proceeds received from any foreclosure sale of the leasehold interest may be less than the aggregate principal amount of the Series 2025 Bonds outstanding.

Amendments to Documents

Certain amendments to the Indenture, the Loan Agreement and the Security Deed may be made without notice to or the consent of the holders of the Series 2025 Bonds. Such amendments could affect the security for the Series 2025 Bonds. Certain amendments, however, are not permitted without the consent of the holder of each outstanding Series 2025 Bond affected thereby, including (1) extensions in the stated maturity of the principal, or any installment of interest on, any Series 2025 Bond, or (2) any reduction in the principal amount of or interest on any Series 2025 Bond. See Appendix A-1 – "FORM OF TRUST INDENTURE."

Enforceability of Remedies

The remedies available to the Trustee or the owners of the Series 2025 Bonds upon an Event of Default under the Indenture, the Loan Agreement, the Security Deed or the Rental Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Series 2025 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, including specifically federal bankruptcy law, certain remedies specified by the Indenture, the Loan Agreement, the Security Deed and the Rental Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds, the Indenture, the Loan Agreement, the Security Deed and the Rental Agreement will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

While the Borrower has pledged its interests in the rental payments to be made under the Rental Agreement and has conveyed its interests in the Project under the Security Deed to secure the payment of the Series 2025 Bonds, the Rental Agreement and the Project constitute property of the Borrower. If the Borrower was to file a petition for relief under federal bankruptcy law, the filing would 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 upon its property. If the bankruptcy court so ordered, the Borrower's property, including its revenues, could be used for the benefit of such Borrower's bankruptcy estate, despite the claims of the Trustee with respect to the Indenture or the Security Deed, but only by giving appropriate recognition to the right of the Trustee as a secured creditor entitled to "adequate protection" to the extent of the value of the secured

claim. If a bankruptcy court concludes that the Trustee has “adequate protection,” it may (1) substitute other security for the property subject to the lien of the Indenture or the Security Deed and (2) subordinate the lien of the Indenture or the Security Deed (a) to claims by persons supplying goods, services or credit to the Borrower after bankruptcy and (b) to the administrative expenses of the bankruptcy proceeding. In addition, the bankruptcy laws permit wide latitude with respect to the adoption of a reorganization plan even though the plan has not been accepted by the owners of a majority in aggregate principal amount of the Series 2025 Bonds, if such owners are provided with the value of their claim or the “indubitable equivalent” thereof. The amount realized by the Trustee might depend on a federal bankruptcy court’s interpretation of “indubitable equivalent” and adequate protection under the existing circumstances.

Secondary Market and Prices

The Underwriter will not be obligated to repurchase any of the Series 2025 Bonds, and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Series 2025 Bonds, and no assurance can be given that initial offering prices for the Series 2025 Bonds will continue for any period of time. Therefore, any prospective purchaser of the Series 2025 Bonds should undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2025 Bonds. Any prospective purchaser should be aware of the long-term nature of an investment in the Series 2025 Bonds and should assume that it will have to bear the economic risk of its investment for an extended period of time.

Rating

The Series 2025 Bonds are rated by Moody’s Investors Service, Inc. (“Moody’s”) (see “RATING”). There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by Moody’s if, in its judgment, circumstances so warrant. The Issuer and the Borrower undertake no responsibility to oppose any such revision or withdrawal.

Taxation of Series 2025 Bonds

Interest on Series 2025 Bonds may be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of Series 2025 Bonds for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of the proceeds of the Series 2025 Bonds, use of the Project and continuing compliance by the Borrower and the Foundation with the tax agreement to be executed on the date of issuance of the Series 2025 Bonds (the “Tax Agreement”) under which enforcement remedies available to the Issuer and the Trustee are severely limited. In addition, the Foundation must be and remain an exempt organization described under Section 501(c)(3) of the Code at all times while any Series 2025 Bonds remain outstanding in order for Series 2025 Bonds to retain their tax-exempt status. Failure of the Borrower and the Foundation to comply with the terms and conditions of the Loan Agreement, the Tax Agreement and other documents as described herein may result in the loss of the tax-exempt status of the interest on the Series 2025 Bonds retroactive to the date of issuance of Series 2025 Bonds.

There is no obligation to redeem the Series 2025 Bonds if interest on the Series 2025 Bonds becomes includable in gross income for federal income tax purposes. If interest on Series 2025 Bonds should become included in gross income for federal income tax purposes, the market for and value of Series 2025 Bonds would be adversely affected.

Moreover, there can be no assurance that the present advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby

resulting in the inclusion in gross income of the interest on Series 2025 Bonds for federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of Series 2025 Bonds. While no such legislation has been adopted, there can be no assurance that Congress would not adopt legislation applicable to Series 2025 Bonds or the Borrower and that the Project would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of Series 2025 Bonds. The Borrower is required under the Loan Agreement to use its best efforts to comply with any other future federal income tax law requirements in order to maintain the tax-exempt status of Series 2025 Bonds to the extent that any such other requirements are made applicable to the Project. However, there is no assurance that the Borrower would be able to comply with any such other requirements.

Federal Income Tax Matters; 501(c)(3) Status of the Foundation

Loss by the Foundation of the benefits of certain provisions of the federal income tax law could jeopardize the tax-exempt status of Series 2025 Bonds. The Internal Revenue Service (the “IRS”) has determined that the Foundation is an organization described in Section 501(c)(3) of the Code, and therefore is exempt from federal income taxation under Section 501(a) of the Code. Under current law, the Borrower is a disregarded entity whose property is deemed to be the property of the Foundation for federal income tax purposes. Changes in the Code or Treasury Regulations or the judicial or administrative interpretation thereof or certain actions of the Borrower or the Foundation could result in the revocation by the IRS of such determination and loss of the tax-exempt status of the Foundation.

Any failure by the Foundation to remain qualified as tax-exempt under Section 501(c)(3) of the Code could affect the amount of funds of the Borrower which would be available to pay debt service on Series 2025 Bonds or could lead to a determination that interest on Series 2025 Bonds is taxable. The failure by the Borrower, the Foundation, or the Issuer to continuously comply with certain covenants contained in the Indenture, the Loan Agreement, and the Tax Agreement after delivery of Series 2025 Bonds could result in the loss of the exclusion from gross income of interest on Series 2025 Bonds by the owners thereof for federal income tax purposes.

Possible Consequences of Tax Compliance Audit

The IRS has established a general audit program to determine whether issuers of tax-exempt obligations, such as Series 2025 Bonds, are in compliance with requirements of the Code that must be satisfied in order for the interest of those obligations to be, and continue to be, excluded from gross income for federal income tax purposes. It cannot be predicted whether the IRS will commence an audit of Series 2025 Bonds. Depending on all the facts and circumstances and the type of audit involved, it is possible that commencement of an audit of the Series 2025 Bonds could adversely affect the market value and liquidity of Series 2025 Bonds until the audit is concluded, regardless of its ultimate outcome.

LITIGATION

Except as described below under “VALIDATION,” neither the Issuer nor the Borrower has received notification regarding any controversy or litigation of any nature pending against the Issuer or the Borrower, or to the knowledge of their respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025 Bonds, the execution or delivery of the Indenture or the Loan Agreement or in any way contesting or affecting the authority, validity, or enforceability of the Series 2025 Bonds, the Indenture or the Loan Agreement or any proceedings of the Issuer or the Borrower taken with respect to the issuance of the Series 2025 Bonds, the execution and delivery of the Indenture and the Loan Agreement or the use of the proceeds of the Series 2025 Bonds.

VALIDATION

The Issuer caused proceedings to be instituted in the Superior Court of Cobb County, Georgia to validate the Series 2025 Bonds and has obtained a final judgment confirming and validating the Series 2025 Bonds and the security therefor. Under Georgia law, a judgment of validation is final and conclusive with respect to the Series 2025 Bonds and the security therefor and such judgment of validation is a condition precedent to the issuance of the Series 2025 Bonds.

TAX MATTERS

Federal Income Taxation

General Matters. In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025 Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the Issuer and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2025 Bonds. Failure to comply with such requirements could cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The Issuer and the Borrower have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025 Bonds.

The accrual or receipt of interest on the Series 2025 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2025 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025 Bonds.

Original Issue Discount. The Series 2025 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the “adjusted issue price” of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Series 2025 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2025 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2025 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Georgia Income Taxation

Bond Counsel is of the opinion that interest on the Series 2025 Bonds will be exempt from all present State of Georgia income taxation. Bond Counsel expresses no opinion regarding tax

consequences arising with respect to the Series 2025 Bonds under the laws of any state or jurisdiction other than Georgia.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2025 Bonds. 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 of the Series 2025 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 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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 2025 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and delivery of the Series 2025 Bonds by the Issuer are subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel. The form of opinion of Bond Counsel which will be delivered upon the initial delivery of the Series 2025 Bonds is attached to this Official Statement as Appendix E. Certain legal matters will be passed upon for the Issuer by Seyfarth Shaw LLP, Atlanta, Georgia; for the Borrower by Schulten Ward Turner & Weiss, LLP, Atlanta, Georgia; and for the Underwriter by Kutak Rock LLP, Atlanta, Georgia.

UNDERWRITING

Raymond James & Associates, Inc. (the “Underwriter”) has agreed to purchase the Series 2025 Bonds at a purchase price of \$_____ (representing par [plus/less] a net original issue [premium/discount] of \$_____ and less an underwriter’s discount of \$_____). The Underwriter has committed to purchase all of the Series 2025 Bonds, if any Series 2025 Bonds are purchased. The obligation of the Underwriter to purchase the Series 2025 Bonds is subject to a number of terms and conditions set forth in a Bond Purchase Agreement among the Issuer, the Borrower and the Underwriter. The Underwriter has advised the Issuer and the Borrower that it intends to make a public offering of the Series 2025 Bonds at the prices set forth on the inside front cover page hereof. The Underwriter may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing the Series 2025 Bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover page hereof.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal management, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various

investment banking services for the Issuer. In the ordinary course of their various business activities, the Underwriter and its respective 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 their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

RATING

Moody's has assigned its municipal bond rating of "A1" to the Series 2025 Bonds. Such rating represents only the views of Moody's. An explanation of the significance of the rating given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300. There is no assurance that such rating will be maintained for any given period of time or that such rating may not be revised upward, downward or withdrawn entirely by Moody's if, in its judgment, circumstances warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of such Series 2025 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

FINANCIAL STATEMENTS

The basic financial statements of the University as of June 30, 2024 and for the year then ended, attached hereto as Appendix B, have been audited by the State of Georgia Department of Audits and Accounts, to the extent and for the period indicated in its report thereon dated December 18, 2024, which appears in Appendix B. The University's financial statements as of June 30, 2024 and for the year then ended have been included herein in reliance upon the report of the State of Georgia Department of Audits and Accounts, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits and Accounts stated in its audit report in Appendix B that it conducted its audit in accordance with auditing standards generally accepted in the United States. **The State of Georgia Department of Audits and Accounts has not and will not sign a written consent to the inclusion of such audit report in this Official Statement.** The State of Georgia Department of Audits and Accounts could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the University's general purpose financial statements.

FINANCIAL ADVISOR

Becker Capital and Finance, Atlanta, Georgia ("Becker Capital") serves as financial advisor to the Borrower in connection with the issuance of the Series 2025 Bonds. Becker Capital is an independent financial advisor and is not engaged in the business of underwriting, trading or distributing municipal or public securities. Becker Capital has not conducted a detailed investigation of the affairs of the Borrower to determine the completeness or accuracy of this Official Statement. Because of its limited participation, Becker Capital has not independently verified any of the data contained in this Official Statement and has no responsibility for the accuracy or completeness thereof.

MISCELLANEOUS

All references in this Official Statement to the Indenture, the Loan Agreement or other documents or official acts do not purport to be complete and are qualified in their entirety by said documents. All references to the Series 2025 Bonds and information with respect thereto are qualified in their entirety by the exact terms of the Indenture, documents, or official acts, copies of which are available from the Issuer, upon request, for full and complete statements of their provisions.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. The agreements of the Issuer with the holders of the Series 2025 Bonds are fully set forth in the Indenture, and neither this Official Statement nor any statement which may have been made verbally or in writing is to be constructed as a contract with the holders of the Series 2025 Bonds.

APPENDIX A-1

FORM OF TRUST INDENTURE

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DEVELOPMENT AUTHORITY OF COBB COUNTY

(a public body corporate and politic created
and existing under the laws of the State of Georgia)

and

WILMINGTON TRUST, NATIONAL ASSOCIATION

(a banking association chartered and existing under the laws of the United States of America)
as Trustee

TRUST INDENTURE

Dated as of April 1, 2025

Relating to

\$ _____

**Development Authority of Cobb County
Lease Revenue Bonds
(KSU Summit II Student Housing Project)
Series 2025**

This instrument was prepared by:
Butler Snow LLP
1170 Peachtree Street, N.E.
Suite 1900
Atlanta, Georgia 30309

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(This Table of Contents is not a part of the Trust Indenture
and is only for convenience of reference)

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TRUST INDENTURE

THIS TRUST INDENTURE (this “Indenture”), made and entered into as of April 1, 2025, between the **DEVELOPMENT AUTHORITY OF COBB COUNTY**, a public body corporate and politic created and existing under the laws of the State of Georgia (the “Issuer”), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a banking association organized under the laws of the United States of America and duly authorized and empowered to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America and the State of Georgia, as trustee (the “Trustee”).

W I T N E S S E T H:

WHEREAS, the Issuer is authorized and empowered under and pursuant to the provisions of Development Authorities Law, O.C.G.A. Section 36-62-1 *et seq.*, as amended (the “Act”) and the Revenue Bond Law, O.C.G.A. Section 36-82-60 *et seq.*, as amended, to issue its revenue bonds to finance facilities for dormitories and for any industrial, commercial, business, office, parking, public, or other use, provided that a majority of the members of the Issuer determines, by a duly adopted resolution, that the project and such use thereof would further the public purpose of the Act, and the members of the Issuer have made such a determination with respect to the hereinafter defined Project; and

WHEREAS, the Act further authorizes the Issuer to enter into loan agreements with persons, firms, corporations, or other entities; and

WHEREAS, the Act further authorizes the Issuer to assign and pledge its interest in and rights under loan agreements made in connection with bonds it issues; and

WHEREAS, the KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”) has requested that the Issuer make a loan to the Borrower to enable the Borrower to (i) finance a portion of the costs of constructing, furnishing, and equipping an approximately 462-bed student housing facility on the Kennesaw State University (the “University”) campus of and for the use of the University (the “Project”), (ii) fund capitalized interest on the hereinafter defined Series 2025 Bonds, and (iii) pay the costs of issuing the hereinafter defined Series 2025 Bonds; and

WHEREAS, the Issuer has determined to make the loan requested by the Borrower in the aggregate principal amount of \$[_____]; and

WHEREAS, in order to provide the funds necessary to make the requested loan to finance the Project, fund capitalized interest on the Series 2025 Bonds, and pay costs of issuance and other expenses related thereto, the Issuer has authorized the issuance of its revenue bonds designated as “Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025,” in the original aggregate principal amount of \$[_____] (the “Series 2025 Bonds”) and the loan of the proceeds thereof to the Borrower (the “Loan”); and

WHEREAS, the Issuer and the Borrower have entered into a Loan Agreement, dated the date hereof (the “Loan Agreement”), pursuant to which the Issuer has agreed to issue the Series 2025 Bonds and to lend the proceeds thereof to the Borrower and, in consideration thereof, the Borrower has agreed to execute and deliver its promissory note, dated the date of issuance of the Series 2025 Bonds (the “Series 2025 Note”), providing for payments at such times and in such amounts as will be required to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same become due; and

WHEREAS, the Borrower is entering into a Ground Lease with the Board of Regents of the University System of Georgia (the “Board of Regents”), dated on or about the date of issuance of the Series 2025 Bonds, under which the Borrower will lease the land constituting the site of the Project and to

secure its obligations under the Loan Agreement and the Series 2025 Note, the Borrower will convey to the Trustee security title in its leasehold interest in the real property included in the Project and will assign and pledge to the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Project pursuant to the Leasehold Deed to Secure Debt, Assignment of Rents and Leases, Security Agreement, and Fixture Filing, dated as of April 1, 2025, from the Borrower to the Trustee (the "Security Deed"), all subject to Permitted Encumbrances, as defined in the Loan Agreement; and

WHEREAS, the Board of Regents and the Borrower are entering into a Rental Agreement, dated on or about the date of issuance of the Series 2025 Bonds and effective upon completion of the Project (the "Ground Lease"), under which the Board of Regents will lease the Project from the Borrower for rents sufficient to pay the principal of and interest on the Series 2025 Bonds; and

WHEREAS, to secure its obligation to pay principal of, premium, if any, and interest on the revenue bonds to be issued hereunder, the Issuer has agreed (i) to assign and pledge to the Trustee, and grant a first priority security interest to the Trustee in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), the Series 2025 Note, and all revenues, payments, receipts, and moneys to be received and held thereunder, all pursuant to the granting clauses of this Indenture and (ii) to endorse the Series 2025 Note to the order of the Trustee; and

WHEREAS, the execution and delivery of this Indenture, the Loan Agreement, the Security Deed, and the endorsement of the Series 2025 Note to the order of the Trustee were authorized by a Bond Resolution dated February 18, 2025, which was duly adopted and approved by the governing body of the Issuer; and

WHEREAS, the Series 2025 Bonds to be issued, Trustee's Certificate of Authentication to be endorsed on each Bond, Validation Certificate, and Assignment for Transfer of each Bond are to be in substantially the form attached hereto as EXHIBIT A, and any Additional Bonds, Trustee's Certificate of Authentication, Validation Certificate, and Assignment for Transfer are also to be in substantially such form (except as to redemption, sinking fund, and other provisions peculiar to such Additional Bonds), with necessary and appropriate variations, omissions, and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds (as defined in the Loan Agreement), when executed by the Issuer and when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding, and legal obligations of the Issuer according to the import thereof, to constitute this Indenture a valid lien on the interests in property hereby conveyed, a valid grant of a security interest in the interests in property hereby made, and a valid assignment and pledge of the revenues and receipts hereby made to secure the payment of the principal of, premium, if any, and interest on the Bonds, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and performed, and the creation, execution, and delivery of this Indenture and the creation, execution, and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Beneficial Owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds does hereby,

subject to the terms and provisions of the Loan Agreement, grant, bargain, sell, transfer, convey, mortgage, pledge, and assign, without recourse and irrevocably in trust, unto the Trustee and unto its successors in trust, and to its assigns forever, and does hereby grant a continuing security interest in (to the extent permitted by law), for the securing of the performance of the obligations of the Issuer and the Borrower hereinafter set forth, the property, real or personal, tangible or intangible, which property is more particularly described below:

GRANTING CLAUSE FIRST

All the right, title, and interest of the Issuer in and to (i) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), and (ii) the Series 2025 Note, and all extensions and renewals of the terms thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Issuer is or may become entitled to do under the foregoing, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the provisions of the foregoing or impair or diminish the right of the Issuer to enforce compliance with the obligations of the Borrower under the foregoing, as long as no Event of Default (as hereinafter defined) has occurred and is continuing hereunder.

GRANTING CLAUSE SECOND

All the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Bonds and all moneys and investments held by the Trustee in the funds and accounts created under this Indenture (except the Rebate Fund) or held by the Trustee as special trust funds derived from payments on contractor's performance or payment bonds or other surety bonds, or any other source.

GRANTING CLAUSE THIRD

All the right, title, and interest of the Issuer in and to all moneys and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of this Indenture and all other rights of every name and nature and any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods, and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

IN EACH CASE, whether now owned or hereafter acquired by the Issuer and howsoever its interest therein may arise or appear (whether by ownership, security interest, claim, or otherwise) and whether due or to become due and whether or not earned by performance;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged, conveyed, and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future Owners of Bonds of the same series from time to time issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any Bonds over any other Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid to the Beneficial Owners of Bonds the principal, interest, and premium, if any, due or to become due thereon at the times and in the manner stipulated in the Bonds and herein, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and if the Issuer shall well and truly keep, perform, and observe all and singular the covenants, conditions, and premises in the Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be reasonably necessary to satisfy the lien hereof and reconvey to the Issuer the estate hereby conveyed and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the funds created hereunder required to be paid to the Borrower under Section 508 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Bonds; otherwise this Indenture to be and remain in full force and effect until such time as the principal of the Bonds and the interest and premium, if any, thereon have been paid or provided for as hereinafter set out.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said revenues, receipts, and property hereby conveyed, pledged, mortgaged, and assigned and which are the subject of a grant of a security interest are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the Beneficial Owners, from time to time, of Bonds, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

Certain words and terms used in this Indenture have the meaning given them in Section 1.01 of the Loan Agreement which by this reference is incorporated herein. When used herein, such words and terms will have the meanings given to them by the language employed in Section 1.01 of the Loan Agreement defining such words and terms, unless the context or use clearly indicates otherwise.

Section 102. Construction of Certain Terms.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) “This Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” “hereto,” “hereby,” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

Section 103. Table of Contents; Titles and Headings.

The table of contents, the titles of the articles, and the headings of the sections of this Indenture are solely for convenience of reference, are not a part of this Indenture, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 104. Contents of Certificates or Opinions.

Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Indenture and which is precedent to the taking of any action by the Trustee under this Indenture shall include a statement (i) that the person or persons making or giving such certificate or opinion have read such covenant or condition herein and the definitions herein relating thereto, (ii) as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or an officer of the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of Independent Counsel or an Accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by Independent Counsel or an Accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or an officer of the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or an officer of the Borrower or any third party on whom Independent Counsel or an Accountant could reasonably rely, unless such Independent Counsel or such Accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or officer of the Borrower or the same Independent Counsel or Accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Indenture, but different officers, Independent Counsel, or Accountants may certify or opine to different matters, respectively.

The Trustee may, at the expense of the Borrower, request, rely on and act in accordance with officer's certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates and opinions of counsel.

[End of Article I]

ARTICLE II

THE BONDS

Section 201. Restriction on Issuance of Bonds.

No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Series 2025 Bonds issued hereunder is expressly limited to \$[_____]; provided, however, that Additional Bonds may be issued as provided in Section 211 hereof.

Section 202. Execution; Limited Obligation.

Bonds may be executed on behalf of the Issuer by its Chairman or Vice Chairman with his or her manual or facsimile signature and may be attested by the manual or facsimile signature of its Secretary-Treasurer or Assistant Secretary-Treasurer, and the official seal of the Issuer shall be impressed or reproduced thereon. All such facsimile signatures shall have the same force and effect as if said officers had manually signed each of the Bonds. The reproduction of the official seal of the Issuer on Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, and Bonds may be issued and delivered as if such officer had remained in office until delivery.

The Bonds, together with interest and any premium thereon, shall be limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, shall be payable solely from the Trust Estate, and shall be a valid claim of the respective Owners thereof only against the Trust Estate, including the revenues and receipts from the Project, which revenues and receipts (except for the Unassigned Rights) are hereby again specifically pledged and assigned to the Trustee for the equal and ratable payment of the Bonds of the same series and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on Bonds, except as may be otherwise expressly authorized in this Indenture. Bonds shall be limited obligations of the Issuer as provided therein payable solely from the Trust Estate. The Bonds and interest thereon shall not constitute a general or moral obligation of the Issuer nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of, Cobb County, the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of Cobb County, the State, or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on Bonds or other costs incident thereto. The Issuer has no taxing power. Neither the members of the Governing Body of the Issuer nor any person executing Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 203. Authentication.

Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in EXHIBIT A hereto and duly executed by the Trustee shall be entitled to any right, security, or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Beneficial Owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed by it if (a) signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all Bonds or on all Bonds of any series issued hereunder, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

Section 204. Form; Denomination; Medium of Payment.

The Bonds shall be issuable only as fully registered Bonds without coupons in Authorized Denominations. The Series 2025 Bonds shall be substantially in the form attached hereto as EXHIBIT A with such variations, insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. Principal of and interest and premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 205. Mutilated, Lost, Stolen, or Destroyed Bonds.

If any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of like date, number, series, interest rate, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft, or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. If any such Bond shall have matured, or shall be about to mature or have been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof, provided that the conditions of this Section 205 shall have been satisfied. The Issuer and the Trustee may charge Registered Owner of such Bond with their reasonable fees and expenses in connection with actions taken under this Section and may require Registered Owner of such Bond to pay any tax, fee, or other governmental charge that may be imposed in relation thereto as conditions precedent to the issuance of any replacement Bond(s). The Issuer shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this Section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Bond.

Every substituted Bond issued pursuant to this Section shall constitute an original additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, destroyed, lost, or stolen shall be at any time enforceable by anyone, and shall be entitled to all the rights and benefits of this Indenture equally and proportionately with any and all other Bonds Outstanding of the same series duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and shall preclude any and all other rights or remedies.

Section 206. Cancellation and Destruction of Surrendered Bonds.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 205 hereof or transfer or exchange pursuant to Section 207 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Trustee, and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the Issuer, if requested.

Section 207. Negotiability; Registration, Transfer, and Exchange.

The Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State, and Beneficial Owners, in accepting any Bonds, shall be conclusively deemed to have agreed that the Bonds shall be and have all of said qualities and incidents of negotiable instruments.

The Issuer shall cause books for the registration of the Bonds and for the registration of transfer of the Bonds as provided in this Indenture to be kept by the Trustee which is hereby appointed the Issuer's Bond registrar and agent for the transfer and exchange of the Bonds and as such shall maintain the books of the Issuer for the registration of ownership of each Bond as provided in this Indenture. The Trustee, for and on behalf of the Issuer, shall keep the Bond registration record, in which shall be recorded any and all transfers of ownership of Bonds. No Bonds shall be registered to bearer. Any Bond may be transferred upon the registration books upon surrender thereof by the Registered Owner in person or by his attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the Registered Owner or his attorney-in-fact or legal representative duly authorized in writing and upon payment by such Registered Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture. Upon any such registration of transfer, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee a new fully registered Bond or Bonds of authorized denominations and of the same series, maturity or maturities, and interest rate(s) and in the same aggregate principal amount(s), and the Trustee shall enter the transfer of ownership in the registration books. No transfer of any Bond shall be effective until entered on the registration books.

Any Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by Registered Owner or his attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of Registered Owner thereof, and upon payment by such Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture, when not prohibited by law, for an equal aggregate principal amount of Bonds of the same series, interest rate, and maturity or maturities and of any other authorized denominations and registered in the name of the same Owner. When Bonds are presented for exchange in accordance with this Section 207, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, shall enter the exchange in the registration books.

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

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

The execution of any Bond of any authorized denomination by the manual or facsimile signature of the Chairman or Vice Chairman and the Secretary-Treasurer or Assistant Secretary-Treasurer of the Issuer in accordance with Section 202 hereof shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same obligation as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered. The Trustee shall not be required to transfer or exchange any Bond (a) after the notice calling such Bond for redemption has been

given as herein provided or (b) during a period beginning at the opening of business on the fifteenth (15th) day (whether or not a Business Day) next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date, Special Record Date, or day on which the applicable notice of redemption is given.

Section 208. Number and Payment Provisions.

The Bonds shall be numbered consecutively from R-1 upward for the Series 2025 Bonds, or in such other manner as the Issuer, with the concurrence of the Trustee, shall determine. Each Bond shall bear interest from (a) from the Closing Date if authenticated prior to the first Interest Payment Date or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which such Bond is authenticated (unless such payment of interest is in default, in which case such Bond shall bear interest from the date to which interest has been paid). The Trustee shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of certificate of authentication of the Trustee to be printed on each Bond. If interest on the Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Principal of and premium, if any, on the Bonds shall be payable by check or draft to Registered Owner of each Bond upon presentation and surrender of such Bond when due, at the principal corporate trust office of the Trustee in Iselin, New Jersey or its successor in trust. Payment of interest on Bonds shall be made to the Persons in whose names the Bonds are registered at the close of business on the Regular Record Date for such payment and shall be paid by check or draft mailed to such Persons at their addresses as they appear on the registration books of the Issuer, irrespective of any transfer or exchange of the Bonds subsequent to a Record Date and prior to such Interest Payment Date, by the Person in whose name the Bond is registered, unless the Issuer shall be in default in the payment of interest due on such Interest Payment Date. Upon any such default, such Defaulted Interest shall be payable to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Issuer to Registered Owner not less than fifteen (15) days preceding such Special Record Date. Such notice shall be mailed to Registered Owner at his address as it appears in the registration books maintained by the Trustee at the close of business on the fifth (5th) day preceding the date of mailing.

At the option of Registered Owner of any Bonds, if such owner is Registered Owner of not less than \$500,000 in aggregate principal amount outstanding of Bonds issued under and secured by this Indenture, interest shall be paid by wire transfer in immediately available funds to a bank located within the continental United States in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Business Day preceding the Record Date. Interest shall continue to be paid in accordance with such instructions, until revoked in writing, except for the final payment of interest upon maturity or redemption prior to maturity, which shall be paid only upon presentation of a Bond to the Trustee.

Defaulted Interest shall cease to be payable to Registered Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner, and such Defaulted Interest may be paid by the Trustee, at its election in each case, as provided in subsection (a) or (b) below:

(a) The Trustee may elect to make payment of any Defaulted Interest on the Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be

paid solely from amounts held under this Indenture, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than fifteen (15) days preceding such Special Record Date, to each Owner at his address as it appears in the registration books maintained by the Trustee at the close of business on the fifth (5th) day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection (b).

(b) The Trustee may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Trustee.

Section 209. Series 2025 Bonds.

The Series 2025 Bonds in the aggregate principal amount of \$[_____] shall be issued and designated “Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025,” numbered consecutively from R-1 upward, and shall be dated the Closing Date. The Series 2025 Bonds shall bear interest at the rates per annum set forth below, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on July 15, 2025 and semiannually thereafter on January 15 and July 15 of each year and shall mature on July 15, in the years and in the amounts as follows, unless earlier called for redemption.

Maturity (July 15)	Principal Amount	Interest Rate	Maturity (July 15)	Principal Amount	Interest Rate
2027			2038		
2028			2039		
2029			2040		
2030			2041		
2031			2042		
2032			2043		
2033			2044		
2034			2045		
2035			2051		
2036			2056		
2037					

Series 2025 Bonds shall bear interest on overdue principal at the aforesaid rates.

Section 210. Delivery of Series 2025 Bonds.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2025 Bonds in the aggregate principal amount of \$[_____] and deliver them to the Persons designated by the Underwriters.

Prior to the registration and authentication by the Trustee of any of the Series 2025 Bonds, there shall be filed with the Trustee:

- (a) original executed counterparts of the Bond Documents,

(b) a request and authorization to the Trustee on behalf of the Issuer, signed by the Chairman or Vice Chairman of the Issuer, to authenticate and deliver the Series 2025 Bonds to be issued in the first instance in the aggregate principal amount of \$[_____] to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the sum therein specified (including accrued interest),

(c) opinions dated as of the date of the closing of (i) counsel for the Issuer, (ii) Bond Counsel, and (iii) counsel for the Borrower, in form and substance satisfactory to the Underwriters,

(d) a validation certificate executed by the Clerk of the Superior Court of Cobb County, Georgia, and

(e) such other documents, certificates, and instruments in connection with the transactions contemplated by this Indenture, in form and substance satisfactory to the Underwriters, as the Underwriters may reasonably request (payment for the Series 2025 Bonds by the Underwriters being conclusive evidence that the Underwriters have received all documents, certificates, and instruments required by them).

Upon receipt of the foregoing and of the purchase price for the Series 2025 Bonds, the Trustee shall register, authenticate, and deliver the Series 2025 Bonds to or upon the order of the purchasers thereof.

Section 211. Additional Bonds.

So long as no Event of Default has then occurred and is continuing, the Issuer at the request of the Authorized Borrower Representative may issue Additional Bonds for the purpose of (i) financing the costs of making such Additions or Alterations as the Borrower may deem necessary or desirable, (ii) financing the cost of completing any Additions or Alterations, (iii) refunding any Bonds, and (iv) in each such case, paying the costs of the issuance and sale of the Additional Bonds, paying capitalized or funded interest and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer. The terms of such Additional Bonds, the purchase price to be paid therefor, and manner in which the proceeds therefrom are to be disbursed shall be determined by the Borrower and the sale of any Additional Bonds shall be the sole responsibility of the Borrower. The Borrower and the Issuer shall enter into an amendment to the Loan Agreement to provide for additional Basic Loan Payments in an amount at least sufficient to pay principal of, premium, if any, and interest on the Additional Bonds when due and to provide for any additional terms or changes to the Loan Agreement required because of such Additional Bonds. The Issuer and the Trustee shall enter into such amendments or supplements to this Indenture as are required to effect the issuance of the Additional Bonds.

As a condition for the issuance of Additional Bonds, (i) such Additional Bonds shall be rated in a rating category that is not lower than the underlying rating of then Outstanding Bonds (*i.e.*, the rating of the Outstanding Bonds without giving effect to any credit enhancement), and (ii) prior to the issuance of such Additional Bonds, the Rating Agency then rating the Outstanding Bonds shall deliver a confirmation letter stating that the issuance of the Additional Bonds will not result in a qualification, downgrade or withdrawal of the then current ratings on the Bonds.

Section 212. Delivery of Additional Bonds.

Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the Issuer shall execute and deliver to the Trustee and the Trustee shall register and authenticate Additional Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer, as hereinafter provided in this Section 212. Prior to the delivery by the Trustee of any such Additional Bonds, there shall be filed with the Trustee:

(a) a valid and effective amendment to the Loan Agreement, pursuant to Section 1301 hereof, providing for the inclusion within the Project of any real estate and interests therein and any buildings,

structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds and providing for an increase in the Basic Loan Payment obligations of the Borrower, which shall be evidenced by a promissory note of the Borrower, and providing any other changes required by the issuance of Additional Bonds;

(b) a valid and effective supplemental indenture providing for the issuance of such new series of Additional Bonds and securing such Additional Bonds by the lien and security interest of the Trust Estate;

(c) a valid and effective amendment to the Security Deed subjecting to the lien of the Security Deed any and all real estate and interests therein and any buildings, structures, facilities, and related property acquired by purchase or construction from proceeds of such Additional Bonds and assigning and pledging to the Issuer the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits thereof and therefrom and granting a security interest to the Issuer in the Authorized Borrower Representative's interest in the machinery, equipment, and related property acquired by purchase or construction from the proceeds of the Additional Bonds, in any inventory then or thereafter located at the real estate or interests therein and any buildings, structures, facilities, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Authorized Borrower Representative's operation of any real estate or interests therein and any buildings, structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds;

(d) a copy, duly certified by the Chairman or Vice Chairman of the Issuer, of a resolution of its Governing Body theretofore adopted and approved authorizing the execution and delivery of the supplemental indenture, amendment to the Loan Agreement, promissory note, amendment to the Security Deed, and issuance of the Additional Bonds;

(e) a request and authorization to the Trustee on behalf of the Issuer, signed by the Chairman or Vice Chairman of the Issuer or such other officers of the Issuer as are designated by the Governing Body of the Issuer, to authenticate and deliver the Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of a specified sum plus any accrued interest; the proceeds of the Additional Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund or to such other funds as are provided and created by the supplemental indenture;

(f) a certificate signed by an officer of the Borrower to the effect that no Event of Default under this Indenture or the Loan Agreement has then occurred and is continuing;

(g) a Favorable Opinion of Bond Counsel with respect to the Outstanding Tax-Exempt Bonds;

(h) a validation certificate with respect to such Additional Bonds executed by the Clerk of the Superior Court of Cobb County, Georgia;

(i) the items required by Section 211 of this Indenture;

(j) a Title Policy, which such policy includes any additional real property made subject to the Security Deed and increases the face amount of the Title Policy to an amount equal to the principal amount of the Outstanding Bonds and the Additional Bonds; and

(k) such other documents as the Trustee may require to evidence compliance with any of the Bond Documents.

Section 213. Book Entry System.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bonds made to the public. One Bond for each maturity will be issued to The Depository Trust Company (“DTC”) and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by and through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners.

SO LONG AS CEDE & CO, AS NOMINEE FOR DTC, IS REGISTERED OWNER OF THE BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THIS INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS INDENTURE.

Payments of principal, interest and redemption premium, if any, with respect to the Bonds, so long as DTC is the only Owner of the Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation, from the Issuer to DTC. DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Issuer and the Trustee shall not be responsible or liable for payment by DTC or DTC Participants for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the Issuer or the Beneficial Owners of the Bonds, the Issuer shall discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause the Trustee to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER AND THE TRUSTEE DO NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT OF DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of this Section, each series of Bonds shall be delivered solely as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof, shall be lettered "R" and numbered separately from "1" upward for each series or sub-series of Bonds, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions of Article II hereof. In addition, the Issuer will cause the Borrower to pay all costs and fees associated with the printing of the Bonds and issuance of the same in certificated form.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Privilege of Redemption and Redemption Price.

The Bonds shall be subject to redemption prior to maturity to the extent and in the manner provided in this Indenture in the case of the Series 2025 Bonds and in any indenture supplemental hereto pursuant to which Additional Bonds shall be issued in the case of such Additional Bonds.

Section 302. Issuer's Election to Redeem.

At the written request of the Authorized Borrower Representative given pursuant to Section 9.03 of the Loan Agreement (except for redemption pursuant to Section 304(c) hereof which shall not require such a request), the Issuer shall give written notice to the Trustee of its election to redeem, of the redemption date, and of the principal amount of each maturity of each series of redeemable Bonds to be redeemed, which notice shall be given at least sixty (60) days prior to the redemption date or such shorter period not less than thirty (30) days as shall be acceptable to the Trustee. If notice of redemption shall have been given pursuant to Section 303 hereof, the Issuer shall, at least one Business Day prior to the redemption date, pay to the Trustee, solely from funds provided by the Borrower, an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the Bonds to be redeemed.

Section 303. Notice of Redemption.

If any Bonds are called for redemption pursuant to this Article III, notice thereof identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any Owner of Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Each notice shall specify the CUSIP numbers of the Bonds being called, numbers of the Bonds of each series being called, if less than all of the Bonds of any series are being called, redemption date, redemption price, and place or places where amounts due upon such redemption will be payable. If the Bonds are no longer in book-entry form, such notice shall further state that payment of the applicable redemption price plus accrued interest to the date fixed for redemption, if any, will be made upon presentation and surrender of the Bonds to be redeemed and that on the redemption date, the redemption price will become due and payable upon each Bond to be redeemed and that interest thereon will cease to accrue on and after such date. Any notice mailed as provided in this Section 303 shall be conclusively presumed to have been duly given, whether or not Registered Owner of such Bonds actually receives the notice. Notwithstanding the foregoing, upon the written direction of the Authorized Borrower Representative, the notice of redemption for optional redemption pursuant to Section 304(b) hereof shall contain a statement to the effect that the redemption of the Bonds is conditioned upon the receipt by the Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Issuer shall not be required to redeem such Bonds and such Bonds shall not become due and payable.

Section 304. Redemption Dates and Prices for Series 2025 Bonds.

(a) *Extraordinary Redemption.* The Series 2025 Bonds are subject to extraordinary redemption in whole or in part by the Issuer, at the written direction of the Authorized Borrower Representative, at a redemption price equal to the principal amount of the Series 2025 Bonds to be

redeemed, plus accrued interest to the date of redemption, without premium, in the event of: (1) damage to or destruction of the Project or any part thereof to such extent that it cannot be reasonably restored within a period of six months or the Borrower is prevented from carrying on its normal operations at the Project for a period of six consecutive months or the cost of reconstruction would exceed the Net Proceeds of insurance carried thereon by more than \$500,000; (2) condemnation of all or a portion of the Project to such extent that it cannot be reasonably restored or replaced within a period of six months or the Borrower is prevented from carrying on its normal operations at the Project for a period of six consecutive months or the cost of restoration or replacement would exceed the Net Proceeds of condemnation awards by more than \$500,000; (3) if as a result of changes to the Constitution of the United States or the State or as a result of legislative, executive or judicial action of the United States, the State or any political subdivision thereof or a regulatory body, the Loan Agreement becomes void, unenforceable or impossible of performance in accordance with the intention of the parties or unreasonably burdens or excessive liabilities are imposed on the Project by reason of the ownership thereof by the Borrower; (4) in the event Net Proceeds of the Title Policy related to the Project are used to redeem the Series 2025 Bonds pursuant to the Loan Agreement, or (5) from funds remaining in the Bond Proceeds Account of the Project Fund, if any, following the completion of the Project.

If Series 2025 Bonds are redeemed upon the occurrence of any of the events described in this Section 304(a), such Series 2025 Bonds shall be redeemed by the Issuer at the written direction of the Authorized Borrower Representative within one hundred eighty (180) days of such event.

(b) **Optional Redemption.** The Series 2025 Bonds maturing on and after July 15, 20[___] are also subject to redemption by the Issuer upon written direction of the Authorized Borrower Representative pursuant to Section 11.03 of the Loan Agreement prior to maturity on or after July 15, 20[___] in whole or in part on any date at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

(c) **Mandatory Redemption.** As and for the retirement of Series 2025 Bonds, the Basic Loan Payments specified in Section 5.02 of the Loan Agreement which are to be deposited in the Bond Fund shall include an amount sufficient to redeem in part, by lot (after credit as provided below), the following principal amounts (which include the principal amount which will be outstanding on the date of maturity) of such Series 2025 Bonds at one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date:

Series 2025 Bonds Maturing July 15, 2051

<u>July 15 of the Year</u>	<u>Principal Amount</u>
2046	
2047	
2048	
2049	
2050	

(Leaving \$[_____] to mature July 15, 2051)

Series 2025 Bonds Maturing July 15, 2056

<u>July 15 of the Year</u>	<u>Principal Amount</u>
2052	
2053	
2054	
2055	

(Leaving \$[_____] to mature July 15, 2056)

The Issuer shall be entitled to receive a credit in respect of its mandatory redemption obligation under this Section 304(c) for Series 2025 Bonds delivered, purchased, or redeemed, as hereinafter provided, if the Borrower at its option purchase in the open market and deliver to the Trustee for cancellation Series 2025 Bonds or redeems Series 2025 Bonds (other than through mandatory redemption under this Section 304(c)) and such Series 2025 Bonds have not theretofore been applied as a credit against any mandatory redemption obligation. Each such Series 2025 Bond so purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such mandatory redemption payment date, and any excess shall be credited on future mandatory redemption obligations in chronological order, and the principal amount of such Series 2025 Bonds to be redeemed by operation of mandatory redemption and the Basic Loan Payments specified in Section 5.02 of the Loan Agreement for mandatory redemption shall be accordingly reduced.

Section 305. Partial Redemption.

If less than all of the Bonds of any series are called for redemption in any of the circumstances set forth above, other than mandatory redemption pursuant to Section 304(c) hereof, the Bonds shall be redeemed as directed in writing by the Authorized Borrower Representative and if less than all of the Bonds of a maturity are to be redeemed, and in the case of mandatory redemption pursuant to Section 304(c) hereof, the particular Bonds or portions thereof of such series to be redeemed within a maturity will be selected by lot by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot by the Trustee. If the Trustee receives no such direction from the Borrower, Bonds shall be redeemed in inverse order of maturity and if less than all of the Bonds of a maturity are to be redeemed, the particular Bonds or portions thereof within a maturity to be redeemed shall be selected by lot by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, in such manner as the Trustee shall determine. If less than all of the Bonds of a maturity are to be redeemed, and in the case of mandatory redemption pursuant to Section 304(c) hereof, the particular Bonds or portions thereof of such series to be redeemed within a maturity shall be selected by lot by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot by the Trustee. If a Bond subject to redemption pursuant to this Article is in a denomination larger than \$5,000, all or a portion of such Bond may be redeemed, but only in Authorized Denominations. Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to Registered Owner thereof a new Bond or Bonds of the same series, interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 306. Payment Upon Redemption.

On or prior to each redemption date, the Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount of available funds from the Bond Fund sufficient to pay the (a) principal of and interest on such Bonds, and (b) premium, if any, on such Bonds. Upon presentation and surrender of any such Bond at the principal corporate trust office of the

Trustee on or after the date fixed for redemption, the Trustee shall pay the principal of and premium, if any, and interest on such Bond from the moneys set aside for such purpose.

Section 307. Effect of Redemption.

Notice of redemption having been given as provided in Section 303 hereof, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided immediately available funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, and interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same.

Section 308. Purchase of Bonds.

At the direction of the Authorized Borrower Representative in writing, the Trustee shall apply moneys in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and unpaid interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such moneys as herein provided, and upon such purchase such Bonds shall be canceled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and canceled, provided that no credit shall be given for such Bonds so purchased within the forty-five (45) days next preceding the redemption or payment date. Subject to the above limitations, the Trustee shall, if directed by the Authorized Borrower Representative in writing, purchase Bonds on the open market for cancellation at such times, for such prices (not to exceed the redemption price to redeem such bonds pursuant to Section 304(b) hereof), in such amounts, and in such manner as so directed by the Authorized Borrower Representative and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

Section 309. Cancellation.

All Bonds which have been purchased, redeemed, paid, or retired, or received by the Trustee for exchange, shall not be reissued but shall be canceled and destroyed by the Trustee, in accordance with Section 206 hereof.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS

Section 401. Condition of Issuer's Obligation; Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made in the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall never constitute an indebtedness or general obligation of the Issuer nor constitute an indebtedness or general obligation of the State of Georgia, Cobb County, or any other political subdivision of the State of Georgia, within the meaning of any constitutional or statutory provision whatsoever. The principal of, premium, if any, and interest on the Bonds shall be payable solely from the Trust Estate, and nothing in the Bonds or in this Indenture shall be considered as pledging any other funds or assets of the Issuer.

The Issuer covenants that it shall promptly pay from the sources provided herein and in the Loan Agreement the principal of, including any applicable redemption premiums, 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. The Issuer hereby appoints and designates the principal corporate trust office of the Trustee as the place of payment for the Bonds, and the Trustee as the paying agent for the Bonds, such designation and appointment to remain in effect until written notice of change is filed as provided in Section 1108 or Section 1404 hereof.

Section 402. Performance of Covenants; Authority of the Issuer.

The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, in any and every Bond executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture, to convey the Trust Estate to the Trustee, and to pledge the receipts, revenues, and collateral hereby pledged in the manner and to the extent herein set forth, that all action required on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken (or if Additional Bonds are issued pursuant to Section 211 hereof, will be duly taken as provided therein), and that the Bonds in the hands of Registered Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

Section 403. Instruments of Further Assurance.

The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Loan Agreement, the Series 2025 Note, and the Security Deed for the benefit of the Beneficial Owners, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee the Trust Estate. Any and all property hereafter acquired which is of the kind or nature provided herein to be and become subject to the lien and security interest hereof shall, without any further conveyance, assignment, or act on the part of the Issuer or the Trustee, be and become subject to the lien and security interest of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as herein and in the Loan Agreement provided, it has not and will not sell, convey, assign, pledge, mortgage, encumber, grant a security interest in, or otherwise dispose of, or create or suffer to be created any lien, encumbrance, security interest, or charge upon, any part of the Trust Estate or of its rights under the Loan Agreement, the Series 2025 Note, or the

Security Deed, or enter into any contract or take any action by which the rights of the Trustee or the Beneficial Owners may be impaired.

Section 404. Rights Under the Loan Agreement, the Series 2025 Note, and the Security Deed.

The Loan Agreement, the Series 2025 Note, and the Security Deed, duly executed counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the Issuer and the Borrower. Pursuant to the granting clauses of this Indenture, the Issuer has assigned to the Trustee its right, title, and interest (other than Unassigned Rights) in and to the Loan Agreement and the Series 2025 Note, and the Trustee may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Series 2025 Note and may enforce all rights of the Issuer for and on behalf of the Beneficial Owners, whether or not the Issuer is in default hereunder.

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

The Issuer covenants to enforce diligently all covenants, undertakings, and obligations of the Borrower under the Bond Documents and the Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights under the Bond Documents on behalf of the Issuer and Owners of the Bonds.

The Trustee shall retain possession of executed counterparts of the Bond Documents and shall release the same only in accordance with the provisions thereof. The Trustee shall make copies of the Bond Documents for the Issuer, the Borrower, and any Owner of any Bond upon request and payment of the expenses associated with the provision of such copies.

Section 405. Designation of Additional Paying Agents.

The Issuer shall, upon the written request of the Authorized Borrower Representative and payment of any expenses incurred in connection therewith pursuant to Section 5.02 of the Loan Agreement, cause the necessary arrangements to be made through the Trustee for the designation of additional paying agents as specified by the Authorized Borrower Representative for the making available of funds for the payment of such of the Bonds as shall be presented when due at the principal office of said additional paying agents.

Section 406. Trustee's Disclosure Responsibilities.

The Trustee shall have no responsibility whatsoever with respect to any disclosure to Beneficial Owners or any other Person or any public disclosure of any event or circumstance occurring, arising or existing with respect to the Bonds, the Issuer, the Borrower, the Project or any other matter, except that the Trustee shall give to the Dissemination Agent a copy of any notice the Trustee is required to give to the Borrower or to Registered Owners pursuant to the default provisions of this Indenture or any other Bond Document.

[End of Article IV]

ARTICLE V

FUNDS

Section 501. Bond Fund.

There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Bond Fund.” The Bond Fund shall be used as a sinking fund to pay the principal of, premium, if any, and interest on the Bonds. There shall be deposited into the Bond Fund, as and when received, (i) all Basic Loan Payments specified in Section 5.02 of the Loan Agreement, and (ii) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Authorized Borrower Representative that such moneys are to be paid into the Bond Fund.

Except as provided in Section 510 hereof, moneys in the Bond Fund shall be used solely as a fund for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of the Bonds at or prior to maturity, and to purchase the Bonds in the open market pursuant to Section 308 of this Indenture. However, upon an Event of Default, the Trustee may use moneys in the Bond Fund for the benefit of Beneficial Owners and to pay the fees and expenses of the Trustee that are payable under Section 1102 hereof.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest and premium, if any, on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 502. Issuance Cost Fund.

There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Issuance Cost Fund,” which shall be used as a fund to pay Issuance Costs. There shall be deposited into the Issuance Cost Fund, the amounts specified in Article VI hereof. Moneys in the Issuance Cost Fund shall be disbursed to pay Issuance Costs upon receipt of a requisition for payment substantially in the form attached hereto as EXHIBIT B executed by the Authorized Borrower Representative and the Trustee is hereby authorized and directed to issue its checks or initiate wire transfers for each disbursement upon receipt of such a requisition. If any funds remain in the Issuance Cost Fund after payment of all Issuance Costs, upon receipt of a certificate of the Authorized Borrower Representative stating that all Issuance Costs have been paid, the Trustee shall transfer such remaining funds to the Bond Fund.

The Trustee shall keep and maintain adequate records pertaining to the Issuance Cost Fund and all disbursements therefrom, and after all amounts are disbursed from the Issuance Cost Fund, the Trustee shall, if requested by the Authorized Borrower Representative, file an accounting thereof with the Issuer and the Borrower.

Section 503. Repair, Replacement and Maintenance Fund.

There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the “Repair, Replacement and Maintenance Fund,” which shall be used solely for the purposes set forth in this Section 503. The Trustee shall deposit in the Repair, Replacement and Maintenance Fund (i) the amount specified in Article VI hereof and (ii) as and when received by the Trustee any moneys paid to the Issuer under the Loan Agreement, particularly Section 5.02 thereof, or this Indenture for credit or transfer to the Repair, Replacement and Maintenance Fund.

The Issuer hereby authorizes and directs the Trustee to withdraw funds from the Repair, Replacement and Maintenance Fund to pay (i) the maintenance and repair costs related to the Project which the Borrower are obligated to pay pursuant to Section 6.01 of the Loan Agreement and (ii) the principal of,

premium, if any, and interest on the Bonds to the extent there are insufficient moneys in the Bond Fund therefor on any Interest Payment Date, which authorization and direction the Trustee hereby accepts.

Moneys in the Repair, Replacement and Maintenance Fund for the purpose described in (i) of the preceding paragraph shall be disbursed upon receipt of a requisition for payment substantially in the form attached hereto as EXHIBIT C executed by the Authorized Borrower Representative and the Trustee is hereby authorized and directed to issue its checks or initiate wire transfers for each disbursement described in (i) of the preceding paragraph upon receipt of such a requisition; provided, however, at any time the Borrower is in default in the payment of Basic Loan Payments required by Section 5.02 of the Loan Agreement, the Trustee shall not disburse funds from the Repair, Replacement and Maintenance Fund for such purposes. The Trustee is hereby authorized and directed to withdraw funds from the Repair, Replacement and Maintenance Fund for the purpose described in (ii) of the preceding paragraph automatically without any requisition from the Borrower.

Section 504. Rebate Fund.

There is hereby created by the Issuer and ordered established with the Trustee a special trust fund designated the "Rebate Fund," which will be held, invested, expended and accounted for in accordance with the Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held under this Indenture and shall not constitute part of the Trust Estate held for the benefit of the Beneficial Owners of the Bonds or the Issuer. Moneys in the Rebate Fund shall be held in trust by the Trustee and shall be held for future payment to the United States of America as directed by the Authorized Borrower Representative and as contemplated under the provisions of the Tax Agreement.

Section 505. Project Fund.

There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Project Fund," and within such fund, two accounts to be designated the "Bond Proceeds Account" and the "Equity Account," which, in each case, shall be used solely for the purposes set forth in this Section 505. There shall be deposited into the Bond Proceeds Account of the Project Fund from the proceeds of the Series 2025 Bonds the amount specified in Section 601(b) hereof. There shall be deposited into the Equity Account of the Project Fund from the equity contribution of the Borrower the amount specified in Section 602 hereof.

Moneys in the Project Fund shall be used to pay Costs of the Project, first from moneys in the Bond Proceeds Account of the Project Fund, and then from moneys in the Equity Account of the Project Fund, in accordance with the provisions of the Loan Agreement, particularly Section 4.03 of the Loan Agreement. The Trustee is hereby authorized and directed to issue its checks or initiate wire transfers for each disbursement required by the aforesaid provisions of the Loan Agreement. Any amounts remaining in the Bond Proceeds Account of the Project Fund on the Completion Date, less amounts owing under the Construction Contract and amounts retained or set aside to meet costs not then due and payable or which are being contested in accordance with Section 4.03 of the Loan Agreement, shall be transferred by the Trustee to the Bond Fund to be used to redeem Series 2025 Bonds pursuant to Section 304(a)(5) hereof. Any amounts remaining in the Equity Account on the Completion Date, less amounts owing under the Construction Contract and amounts retained or set aside to meet costs not then due and payable or which are being contested in accordance with Section 4.03 of the Loan Agreement, but only to the extent such amounts are not retained in the Bond Proceeds Account of the Project Fund, shall be returned by the Trustee to the Borrower.

Section 506. Non-presentment of Bonds.

If any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bonds shall

have been made available to the Trustee for the benefit of the Beneficial Owner or Owners thereof, all liability of the Issuer and the Borrower to the Beneficial Owner or Owners thereof for the payment of such Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Beneficial Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this Indenture or on, or with respect to, said Bonds.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within five (5) years after the date on which the same shall have become due (or such earlier date as immediately precedes the date on which such funds would be required to escheat or be payable to the State or any other governmental unit under any laws governing unclaimed funds) shall be paid by the Trustee to the Borrower upon receipt of a written request of the Authorized Borrower Representative, and thereafter Beneficial Owners shall be entitled to look only to the Borrower for payment, and then only to the extent of the amount so repaid, and the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. If the Borrower fail to make the aforementioned written request, the Trustee shall apply such moneys in accordance with applicable laws governing unclaimed funds.

Section 507. Moneys to be Held in Trust.

All moneys and instruments required to be deposited with or paid to the Trustee for the account of the Bond Fund, the Issuance Cost Fund, the Project Fund, the Repair, Replacement and Maintenance Fund, or any other trust fund or reserve under any provision of this Indenture other than the Rebate Fund, and any investments purchased with such moneys, 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 trust created hereby and any lien or security interest granted with respect to the Trust Estate and shall be and remain entitled to the benefit and shall be subject to the security of this Indenture for the equal and proportionate benefit of the Beneficial Owners of all Outstanding Bonds, except for amounts held in the Rebate Fund, which shall be for the benefit of the United States Treasury. The Trustee hereby covenants that all moneys, investments, and instruments held in any fund under this Indenture are a part of the Trust Estate, and that the rights and interests of the Beneficial Owners in and to such moneys, investments, and instruments and collateral are and, subject to the provisions of Section 1102 hereof with respect to the payment of the fees and expenses of the Trustee, shall be superior to the claims of the creditors and depositors of the Trustee.

Section 508. Amounts Remaining in Funds and Accounts.

Any amounts remaining in the Bond Fund, the Issuance Cost Fund, the Repair, Replacement and Maintenance Fund, the Rebate Fund, the Equity Account of the Project Fund, or any other fund, account, or reserve created under this Indenture, after payment in full of the principal of, interest, and premium, if any, on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges, and expenses of the Trustee, any paying agents, and the Issuer, the amounts required to be paid to the United States pursuant to the Tax Agreement, all other amounts required to be paid hereunder shall be promptly paid to the Borrower as a refund of excess loan payments under the Loan Agreement.

[End of Article V]

ARTICLE VI

**CUSTODY AND APPLICATION OF PROCEEDS OF
SERIES 2025 BONDS AND EQUITY CONTRIBUTION**

Section 601. Bond Proceeds.

Upon the issuance and delivery of the Series 2025 Bonds, the Trustee shall apply the proceeds of the Series 2025 Bonds in the amount of \$[_____] (representing the aggregate principal amount of the Series 2025 Bonds, [plus/less] [net] original issue [premium/discount] in the amount of \$[_____] , and less Underwriters' discount in the amount of \$[_____]) as follows:

- (a) There shall be deposited in the Bond Fund the sum of \$[_____].
- (b) There shall be deposited in the Bond Proceeds Account of the Project Fund the sum of \$[_____].
- (c) There shall be deposited in the Issuance Cost Fund the sum of \$[_____].

Section 602. Equity Contribution.

Simultaneously with the issuance and delivery of the Series 2025 Bonds, the Borrower shall deliver to the Trustee an equity contribution in the amount of \$[_____], which the Trustee shall deposit into the Equity Account of the Project Fund.

[End of Article VI]

ARTICLE VII

INVESTMENTS

Section 701. Investment of Funds and Accounts.

Subject to Article IX hereof, any moneys held as part of the funds and accounts created under this Indenture, reserves in connection with contested liens, or other special trust funds created under this Indenture, or other accounts or funds held by the Trustee, to the extent permitted by law shall be invested and reinvested by the Trustee, but only at the written direction of and as specified by the Authorized Borrower Representative, in accordance with the provisions of Section 4.03 of the Loan Agreement. The Trustee may rely conclusively on such direction with respect to the suitability and legality of the directed investment. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the respective fund or account, and the interest accruing thereon and any profit realized from such investments shall be credited as set forth in Section 702 of this Indenture, and any loss resulting from such investments shall be charged to such fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the uses prescribed for moneys held in such fund or account. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of this Indenture. In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at their fair market value. The Trustee shall not be liable for any depreciation in the value of any obligations in which moneys of funds or accounts shall be invested, as aforesaid, or for any loss arising from any such investment. Such investments shall be made only as follows:

- (i) moneys in the Issuance Cost Fund, the Repair, Replacement, and Maintenance Fund, the Rebate Fund, the Project Fund, and any other accounts or funds other than the Bond Fund only in obligations maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective fund, and
- (ii) moneys in the accounts within the Bond Fund only in obligations maturing or redeemable at the option of the holder not later than the next-succeeding principal, mandatory redemption, or Interest Payment Date of the Bonds.

The Issuer covenants that none of the moneys held under this Indenture will knowingly be used in any manner which will cause any Tax-Exempt Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or to become federally guaranteed within the meaning of Section 149(b) of the Code. The Issuer's reliance upon the written investment instructions of the Authorized Borrower Representative shall fully protect the Issuer in fulfilling its obligations set forth above.

Section 702. Allocation of Income from Investments.

All interest accruing from investments of moneys in the Bond Fund, the Issuance Cost Fund, the Repair, Replacement, and Maintenance Fund, the Rebate Fund, and other funds and any profit realized therefrom shall be allocated as follows:

- (a) interest and profits from the investments of moneys in the Bond Fund shall be retained in the Bond Fund;
- (b) interest and profits from the investments of moneys in the Issuance Cost Fund shall be deposited in the Bond Fund;

- (c) interest and profits from the investment of moneys in the Repair, Replacement and Maintenance Fund shall be retained in the Repair, Replacement and Maintenance Fund;
- (d) interest and profits from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund;
- (e) interest and profits from the investment of moneys in the Project Fund shall be retained in the Project Fund; and
- (f) interest and profits from the investment of moneys in any other funds shall, at the written direction of the Authorized Borrower Representative, be retained in the respective funds or deposited in the Bond Fund.

Section 703. Trustee's Own Bond or Investment Department.

The Trustee may make any and all investments permitted under Section 701 hereof through its own bond or investment department.

Section 704. Investment Records.

The Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation, and application of the moneys held under this Indenture, subject to Section 7.02 of the Loan Agreement. The Trustee shall make copies of such records available to the Borrower, upon its reasonable written request. The Trustee agrees to retain investment records relating to the moneys held under this Indenture until six (6) years after the Bonds are no longer Outstanding.

[End of Article VII]

ARTICLE VIII

[RESERVED]

[End of Article VIII]

ARTICLE IX

DISCHARGE OF LIEN

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made, to or for (i) the Registered Owner of any Bond, or any portion of any such Bond, the principal, interest, and premium, if any, due or to become due thereon, then such Bond or portion thereof, and (ii) the Registered Owners of all Outstanding Bonds the principal, interest, and premium, if any, due or to become due thereon and shall pay or cause to be paid all fees and expenses of the Trustee and each paying agent due or to become due under this Indenture, then this Indenture and these presents and the estate, lien, interests, and rights hereby created and granted shall cease, determine, terminate, and become null and void (except as to any surviving rights of registration, transfer, or exchange of Bonds herein provided for and except for the Trustee's obligations under Section 704 hereof), and thereupon the Trustee shall cancel and discharge the lien and security interest of this Indenture. At the time of such cessation, termination, discharge and satisfaction, (1) the Trustee shall execute and deliver to the Issuer and the Borrower all such instruments as may be appropriate or reasonable requested by the Issuer or the Borrower to evidence such cessation, termination, discharge and satisfaction, and (2) the Trustee shall pay over or deliver to the Borrower or on its order all moneys and securities held by them pursuant to this Indenture (A) which are not required for (x) the payment of the principal of, premium, if any, and interest on Bonds not theretofore surrendered for payment or redemption, (y) the payment of all other amounts due or to become due under this Indenture and the Loan Agreement, and (z) the payment of any amounts the Trustee has been directed to pay to the United States under the Tax Agreement or this Indenture.

Any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid and defeased within the meaning and with the effect expressed in the first paragraph of this Article with respect to payment of such Bond hereunder if:

(i) there shall have been irrevocably deposited with the Trustee, in trust, either cash in an amount which shall be sufficient, along with any other moneys held by the Trustee and available therefor, or Defeasance Obligations not redeemable by the issuer thereof, the principal of and interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and if all Bonds Outstanding are to be deemed to have been paid and defeased, an amount equal to the Trustee's and paying agents' necessary and proper fees, compensation, and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity;

(ii) if such Bonds are to be redeemed and are subject to immediate redemption, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Bonds as provided in Section 303 of this Indenture;

(iii) if said Bonds are to be redeemed and are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to (a) give notice of redemption of such Bonds as provided in Section 303 of this Indenture not less than thirty (30) nor more than sixty (60) days prior to a date on which such Bonds are subject to redemption and (b) give, as soon as practicable in the same manner as a notice of redemption of such Bonds as provided in Section 303 of this Indenture, a notice to the Registered Owners of such Bonds stating that the deposit required by (i) above has been made with the Trustee, stating that said Bonds are deemed to have been paid in accordance with this Article, and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on such Bonds;

(iv) unless there shall have been irrevocably deposited with the Trustee cash in an amount which shall be sufficient, along with any other moneys held by the Trustee and available therefore sufficient to pay the principal or redemption price, if applicable, and interest due and to become due on such Bonds without taking into account any investment earnings, there shall have been submitted to the Issuer and the Trustee a certificate of an Accountant to the effect that the deposit required by (i) above will provide funds sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and

(v) there shall have been submitted to the Issuer and the Trustee a Favorable Opinion of Bond Counsel.

Neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal nor interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, at the written direction of the Authorized Borrower Representative, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and an amount equal to the Trustee's and paying agents' fees and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity.

The items required by (i), (ii), (iii), (iv), and (v) above may be submitted with respect to any particular Bonds or series of Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), in which case such Bonds shall no longer be deemed to be Outstanding and shall be deemed to be paid within the meaning of this Article, and the Beneficial Owners of such Bonds shall be secured only by such deposit and not by any other part of the Trust Estate.

Anything in Article XII hereof to the contrary notwithstanding, if such moneys or Defeasance Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and interest and premium thereon, if any, and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Beneficial Owner of each Bond affected thereby.

[End of Article IX]

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BENEFICIAL OWNERS

Section 1001. Defaults; Events of Default.

If any of the following events occur, subject to the provisions of Sections 1010 and 1011 hereof, it is hereby defined as and declared to be and to constitute a default and an “Event of Default”:

- (a) default in the due and punctual payment of any interest on any Bond;
- (b) default in the due and punctual payment of the principal of any Bond (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) the occurrence of an “Event of Default” under the Loan Agreement;
- (d) any material breach by the Issuer of any representation or warranty made in this Indenture or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Indenture (other than as described in (a) and (b) above) or in the Bonds contained, subject to the provisions of Section 1011 of this Indenture;
- (e) if the Issuer shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of its property, (ii) fail to lift or bond (if legally permissible) promptly any execution, garnishment, or attachment of such consequence as will impair the ability of the Issuer to carry on its operations, (iii) enter into an agreement of composition with its creditors, (iv) admit in writing its inability to pay its debts as such debts become due, (v) make a general assignment for the benefit of its creditors, (vi) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect), (vii) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (viii) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law or any similar law in effect in a foreign jurisdiction, or (ix) take any action for the purpose of effecting any of the foregoing;
- (f) a proceeding or case shall be commenced, without the application of the Issuer, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Issuer, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the Issuer or of all or any substantial part of the assets of it, or (iii) similar relief in respect of the Issuer under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect for a period of ninety (90) days, whether consecutive or not; or
- (g) termination of the Rental Agreement unless the requirements of Section 11.04 of the Loan Agreement are met.

Section 1002. Acceleration.

If an Event of Default specified in paragraphs (a) or (b) of Section 1001 hereof shall occur and be continuing, the Trustee shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. If an Event of Default specified in paragraph (c), (d), (e), (f), or (g) of Section 1001 hereof shall occur and be continuing, the Trustee may, and upon the written request of Owners of not less than one hundred percent (100%) in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder the Trustee on behalf of the Issuer may declare all installments of Basic Loan Payments payable under Section 5.02 of the Loan Agreement to become immediately due and payable in accordance with Section 10.02 of the Loan Agreement.

The above provisions of Sections 1001 and 1002 hereof, however, are subject to the condition that if, after the principal of all Bonds then Outstanding shall have been so declared to be due and payable, all arrears of interest upon such Bonds and the principal and redemption premium, if any, on all Bonds then Outstanding which shall have become due and payable otherwise than by acceleration, and all other sums payable under this Indenture, except the principal of and interest on the Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer, together with the reasonable expenses of the Trustee and of the Beneficial Owners of such Bonds, including attorneys' fees actually paid or incurred, and the Loan Agreement shall be in full force and effect, then and in every such case, the Trustee shall annul such declaration of maturity and its consequences, which waiver and annulment shall be binding upon all Beneficial Owners; but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon. In the case of any such annulment, the Issuer, the Trustee, and the Beneficial Owners shall be restored to their former positions and rights under this Indenture.

Section 1003. Remedies Upon Event of Default.

If an Event of Default occurs and is continuing, the Trustee shall have the power to proceed with any available right or remedy granted by the Bond Documents or Constitution and laws of the State, as it may deem best, including foreclosure or sale under the Security Deed, and any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Bond Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law. The Trustee, as the assignee of all of the right, title, and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights) and the Series 2025 Note shall enforce each and every right granted to the Issuer under the Loan Agreement (except for the Unassigned Rights) and the Series 2025 Note. Upon the occurrence of an Event of Default, the Trustee, in its own name and as trustee of an express trust, or in the name of the Issuer without the necessity of joining the Issuer, shall be entitled to institute any action or proceedings at law or in equity and may prosecute any such action or proceedings to judgment or final decree and may enforce any such judgment or final decree against any obligor thereon and collect in the manner provided by law, but limited as provided in the Bond Documents, out of the property of any obligor thereon wherever situated the moneys adjudged or decreed to be payable for the benefit of the Beneficial Owners, or on behalf of the Issuer. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Loan Agreement under federal bankruptcy law or any other applicable law, or in the case a receiver or trustee shall have been appointed for the property of any such obligor, or in the case of any

other judicial proceedings relative to any obligor under the Loan Agreement or relative to the creditors or property of any such obligor, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the power vested in it by this Indenture) shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys, and counsel and for reimbursement of all expenses and liabilities incurred and all advances made by the Trustee except as a result of its negligence or willful misconduct) and of the Beneficial Owners allowed in any such judicial proceedings relative to the Borrower or any other obligor under the Loan Agreement, or relative to the creditors or property of the Borrower, or relative to any such other obligor, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Beneficial Owners and of the Trustee on their behalf. Any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by each of the Beneficial Owners to make payments to the Trustee and if the Trustee shall consent to the making of payments directly to the Registered Owners, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel and all other expenses and liabilities incurred and all advances made by the Trustee except as a result of its negligence or willful misconduct.

Section 1004. Rights of Beneficial Owners to Require Trustee to Pursue Remedies.

If an Event of Default occurs and is continuing and, subject to the provisions of Section 1002 hereof, and if requested in writing so to do by Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 1114 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section and by Sections 1002 and 1003 as the Trustee, being advised by counsel, shall deem most expedient in the interests of all Beneficial Owners.

No lien, right, or remedy by the terms of this Indenture conferred upon or reserved or otherwise available to the Trustee or Beneficial Owners is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to any other lien, right, or remedy given to the Trustee or Beneficial Owners hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Beneficial Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guarantee for the payment of Bonds shall not operate to prejudice, waive, or affect the Trust Estate or any rights, powers, or remedies under this Indenture, nor shall the Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantees.

Section 1005. Rights of Beneficial Owners to Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, but subject to Section 1002 and Article XV hereof, Owners of twenty-five percent (25%) or more in aggregate principal amount of Bonds then Outstanding (determined subject to the provision of Section 1401(d) hereof) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, provided the

Trustee is indemnified pursuant to Section 1114 hereof, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or in connection with the appointment of a receiver or in connection with any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 1006. Application of Moneys.

Upon an Event of Default and if moneys held by the Trustee are insufficient to pay the principal of, premium, if any, and interest on the Bonds, all moneys received and held by the Trustee pursuant to this Indenture (except for moneys that have been deposited in the Bond Fund to pay Bonds that have been called for redemption from such moneys and the Rebate Fund) and all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article 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 of the Ordinary Expenses and Extraordinary Expenses of the Trustee, costs and compensation of any advances made by the Trustee and any receiver, reasonable attorneys' fees of the Trustee or any receiver, and any other fees, costs, or expenses incurred or reasonably anticipated to be incurred in the collection of such money;

SECOND – To the payment to the Registered Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest 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 Registered Owners entitled thereto, without any discrimination or privilege;

THIRD – To the payment to the Registered Owners 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), in the order of their due dates, with interest at the same rate as the interest on such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the Registered Owners entitled thereto without any discrimination or privilege;

FOURTH – To be held for the payment to the Registered Owners entitled thereto as the same shall become due of the principal of, premium, if any, and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity 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 principal, premium, if any, and interest due on such date to the Registered Owners entitled thereto without any discrimination or privilege; and

FIFTH – To the Borrower.

- (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 first to the items described in paragraph FIRST of the preceding subsection (a), and then to the payment to the Registered Owners entitled thereto of the principal, premium, if any, 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, premium, if any, and interest, to the Registered Owners entitled thereto without any discrimination or privilege.

- (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 the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section, subject to the provisions of paragraph (b) of this Section if the principal of all the Bonds shall later become due or be declared due and payable.

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 such application and the likelihood of additional money becoming available for such application in the future. 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 to be paid on such date 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, but in accordance with the provisions of Section 208 hereof, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1007. Remedies Vested in the 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 proceedings 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 Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Beneficial Owners of Outstanding Bonds.

Section 1008. Limitations on Rights and Remedies of Beneficial Owners.

No Beneficial Owner shall have any right to institute any suit, action, or proceeding in equity or at law 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 or under the Bond Documents, unless: (i) a default has occurred of which the Trustee has been notified as provided in subsection (h) of Section 1101, or of which by said subsection it is deemed to have notice, (ii) such default shall have become an Event of Default, (iii) Owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and provided the indemnity required by Section 1114 of this Indenture and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its, his, or their own name or names. Such notification, request, and offer of opportunity and 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 or under the Bond Documents; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the Beneficial Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect

or impair the right of any Beneficial Owner 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, place, from the source, and in the manner in said Bonds expressed.

Section 1009. Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and Beneficial Owners shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Trustee shall continue unimpaired as if no such proceedings had been taken.

Section 1010. Waivers of Events of Default.

The Trustee may in its discretion waive any Event of Default hereunder and rescind its consequences and shall waive any Event of Default hereunder and its consequences and shall rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of Majority Beneficial Owners; provided, however, that there shall not be waived any Event of Default in the payment when due of the (i) principal of any Outstanding Bonds at the date of maturity specified therein or upon proceedings for redemption pursuant to any mandatory sinking fund payments required or (ii) interest or premium on any such Bonds, unless prior to such waiver or rescission the consent of the Beneficial Owners of 100% in aggregate principal amount of Bonds then Outstanding to such waiver shall have been obtained and all arrears of interest and all arrears of payments of principal or premium, if any, when due, with interest on such overdue amounts (to the extent permitted by law) at the rate borne by the Bonds, and all expenses of the Trustee in connection with such default, shall have been paid or provided for. In the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Beneficial Owners 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. All waivers under this Indenture shall be in writing.

Section 1011. Notice of Defaults; Opportunity of the Issuer and the Borrower to Cure Defaults.

Anything herein to the contrary notwithstanding, no default under Section 1001(d) hereof shall constitute an Event of Default until actual written notice of such default by registered or certified mail shall be given by the Trustee or by Owners of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding to the Borrower and the Issuer and the Issuer shall have had thirty (30) days after receipt of such notice to correct said default or 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 with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to the rights of the Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower or Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected in accordance with and subject to any directions or limitations of time established in writing by the Trustee which are delivered to the Borrower and the Issuer.

With regard to any default concerning which notice is given to the Borrower under the provisions of this Section 1011, the Issuer hereby grants the Borrower 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.

In addition, the Trustee shall give written notice of all other Events of Default to the Borrower, and the Issuer by registered or certified mail, by Electronic Means, or by personal delivery, provided, however, such notice shall not be a condition precedent to the Trustee or Beneficial Owners exercising any right or remedy granted to them hereunder.

Any notice of default hereunder shall prominently include in the title:

- (i) The complete title of the Bonds,
- (ii) The complete name of the Issuer and the Borrower,
- (iii) The entire nine-digit CUSIP number for each affected maturity of Bonds,
- (iv) the record date, if any, for the notice, and
- (v) a title or reference line that provides a comprehensive summary of the subject of the notice, including a statement that the notice relates to defaulted municipal securities, in no more than 500 characters.

Any notice of default hereunder shall also be given to:

The Depository Trust Company

Proxy Department
55 Water Street, 50th Floor
New York, New York 10041-0099
Facsimile: 212-709-6896

[End of Article X]

ARTICLE XI

THE TRUSTEE

Section 1101. Acceptance of the Trusts.

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

- (a) The Trustee, prior to the occurrence of an Event of Default and after the waiving or curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of 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 their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of its own affairs.
- (b) The Trustee may execute any of the trusts or powers hereof and of the other Bond Documents and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith, and shall be entitled to advice of counsel concerning all matters of trusts hereof and of the other Bond Documents and the duties hereunder and thereunder and may in all cases pay such reasonable compensation to all such attorneys, accountants, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer or the Borrower) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.
- (c) The Trustee shall not be responsible for any recital other than its own contained herein or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or in the other Bond Documents, or for insuring the property conveyed hereby or thereby or for collecting any insurance moneys or for the validity of the execution by the Issuer of this Indenture or any supplemental indentures hereto or instruments of further assurance or for the sufficiency of the Trust Estate for the Bonds issued hereunder or intended to be secured hereby or for the value of or title to the property conveyed hereby or otherwise as to the maintenance of the Trust Estate; except that if the Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Indenture, it shall use the same degree of care and skill in the performance of its duties as a prudent man would exercise under the circumstances in the conduct of his own affairs in preserving such property. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement except as herein expressly set forth.
- (d) The Trustee shall not be accountable for the use of the Bonds or the proceeds from the sale of the Bonds disbursed in accordance with the provisions of this Indenture. The Trustee may become the Beneficial Owner of Bonds secured hereby with the same rights which it would have if not Trustee.

- (e) The Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, Electronic Means, or other paper or document, or oral communication or by Electronic Means or direction, reasonably believed to be genuine and correct and to have been signed or sent or given by the proper person or persons. The Trustee shall not unreasonably withhold its consent to, approval of, or action with respect to any reasonable request of the Issuer or the Borrower. 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 Beneficial Owner of any Bond shall be conclusive and binding upon all future Owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by the Authorized Issuer Representative or by its Chairman or Vice Chairman and attested by the Secretary-Treasurer or Assistant Secretary-Treasurer of the Issuer and upon a certificate signed on behalf of the Borrower by the Authorized Borrower Representative or by its President or Vice President and attested by its Secretary or Assistant Secretary, as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it 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 necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary-Treasurer or Assistant Secretary-Treasurer of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Governing Body of the Issuer as conclusive evidence that such a resolution has been duly adopted and is in full force and effect.
- (g) The permissive right of the Trustee to do things enumerated in this Indenture and the other Bond Documents shall not be construed as a duty, and the Trustee shall not be answerable with respect to any such permissive right for other than its negligence or willful misconduct.
- (h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder or under the other Bond Documents except (i) failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article V hereof, and (ii) failure by the Borrower to make any of the payments to the Trustee required to be made by Section 5.02 of the Loan Agreement, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding. 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 notice address provided by the Trustee pursuant to Section 1404 hereof, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.
- (i) The Trustee shall not be liable for any debts contracted or for damages to persons or to personal property injured or damaged or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Project as in this Indenture or the other Bond Documents provided.
- (j) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be

required, to inspect any and all of the Project, including all books, papers, and records of the Borrower pertaining to the Project and the Bonds, and to copy such books, papers, and records, subject to the limitations imposed upon such rights of inspection pursuant to Section 8.02 of the Loan Agreement. The Trustee shall not be required, nor shall the Trustee have a duty to, inspect for accuracy or otherwise, any records provided to it, including, but not limited to financial statements provided to the Trustee pursuant to Section 8.12 of the Loan Agreement, nor shall the Trustee be considered to have notice of the content of such statements or a default based on the content of such statements.

- (k) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or under the other Bond Documents or otherwise in respect of the premises hereof or to file any returns or reports to any court in the execution of its trusts.
- (l) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Indenture, the delivery of any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of any such action by the Trustee, deemed reasonably necessary for the purpose of establishing the right of any Person to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.
- (m) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.
- (n) The Trustee may construe any provision hereof or of any of the other Bond Documents insofar as such may appear to it to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provision by the Trustee shall be binding upon the Beneficial Owners and the Issuer.
- (o) The Trustee shall not be liable and shall be fully protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.
- (p) No provisions of this Indenture or of any of the other Bond Documents shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
- (q) The Trustee 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.

- (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) Notwithstanding any provision of this Indenture or the other Bond Documents to the contrary, the Trustee shall not be liable or responsible for any calculation or determination that may be required in connection with or for the purposes of complying with Section 148 of the Code or any applicable Regulation (the “Arbitrage Rules”). The Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of the Authorized Borrower Representative or any of the instructions received by the Trustee under this Indenture comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer with the provisions of this Indenture with respect to the Arbitrage Rules.
- (t) The Trustee shall not be personally liable for any claims by or on behalf of any Person arising from the conduct or management of, or from any work or thing done on, the Project under state or federal laws pertaining to the transport, storage, treatment, or disposal of pollutants, contaminants, waste, or hazardous materials, or regulations, permits, or licenses issued under such laws. 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 Loan Agreement and this Indenture.
- (u) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Beneficial Owners of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds outstanding, the Trustee in its sole discretion, may determine what action, if any, shall be taken.
- (v) Notwithstanding anything else herein contained, the Trustee shall not be liable for any action taken, or errors of judgment made, in good faith by its or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts. The Trustee shall not be liable for any acts or omissions, except for such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's negligence or willful misconduct.
- (w) 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 and the other Bond Documents shall extend to the Trustee’s officers, directors, agents, attorneys, and employees. Such immunities and protections and right to indemnification, together with the Trustee’s right to compensation, shall survive the Trustee’s resignation or removal and final payment of the Bonds.
- (x) The Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than the Bond Documents, whether or not an original or a copy of such agreement has been provided to the Trustee. The Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than the Bond Documents.
- (y) Any term of this Indenture or any other Bond Document to the contrary notwithstanding, and notwithstanding an agreement of indemnity, the Trustee shall have no responsibility, obligation, or duty to enter upon, or otherwise take possession or control of, any property, or take any other action that could constitute taking possession or control of, any property,

unless and until the Trustee shall be satisfied, in its sole discretion and determination, that neither it nor the trusts created hereby shall incur, by reason of such action, any liability under any federal or state law for hazardous wastes, hazardous materials, or other environmental liabilities. If the Trustee shall believe it prudent or appropriate prior to taking any action with respect to possession or control of the property, the Trustee may contract for, at the expense of the trusts created hereby, an environmental inspection of said property.

- (z) Whether or not expressly so provided, every provision of this Indenture and the other Bond Documents relating to the conduct or affecting the liability of or affording protection of the Trustee is subject to the provisions of this Section.
- (aa) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture or any other Bond Document arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

Section 1102. Fees, Charges, and Expenses of the Trustee.

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Trustee rendered hereunder and other hereunder and under any of the other Bond Documents, and all advances, attorneys' fees, and other Ordinary Expenses of the Trustee reasonably made or incurred by the Trustee in connection with such Ordinary Services of the Trustee, and if it should become necessary that the Trustee perform Extraordinary Services of the Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable Extraordinary Expenses of the Trustee in connection therewith; provided, that if such Extraordinary Services of the Trustee or Extraordinary Expenses of the Trustee are the result of the negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as bond registrar and paying agent for the Bonds as hereinabove provided. Notwithstanding any other provision of this Indenture or the Loan Agreement to the contrary, at all times while any Bonds are Outstanding, payments to the Trustee for services hereunder shall be superior to the payment of principal of and premium, if any, and interest on the Bonds. 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, arrangements, moratorium, reorganization or other debtor relief law. Failure to pay the Ordinary Expenses and Extraordinary Expenses of the Trustee shall constitute a material breach for purpose of Section 1001(d) of this Indenture. The rights of the Trustee under this Section shall survive the Trustee's resignation or removal hereunder.

Section 1103. Notice to Registered Owners if Payment Default Occurs.

If a default occurs of which the Trustee is by subsection (h) of Section 1101 hereof required to take notice or if notice of default is given as in said subsection (h) provided, the Trustee shall give such notice to the Borrower and the Issuer as is specified in Section 1011 hereof and such notice to the Borrower as is specified in Section 10.01 of the Loan Agreement and shall give written notice thereof by first-class mail, within fifteen (15) days (unless such default is cured or waived), to the Registered Owners of all Bonds then Outstanding shown by the registration books maintained by the Trustee pursuant to Section 207 hereof provided that, except in the case of a default in the payment of the principal of, premium, if any, or interest

on any Bond, the Trustee may withhold such notice to the Registered Owners if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Registered Owners and the Trustee shall not be liable for withholding notice upon making such a determination.

Section 1104. Intervention by the Trustee.

The Trustee may intervene on behalf of Beneficial Owners in any judicial proceeding to which the Issuer or the Borrower are a party and which, in the reasonable opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Bonds and shall do so if requested in writing by Owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding and the indemnity required by Section 1114 hereof has been provided. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1105. Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell, lease, or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, rights, obligations, duties, remedies, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1106. Resignation by the Trustee.

The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer, to the Borrower, and, by first-class (postage prepaid) registered or certified mail, to each Registered Owner shown on the registration records maintained pursuant to Section 207 hereof, and such resignation shall take effect at the appointment of a successor trustee pursuant to the provisions of Section 1108 hereof and acceptance by the successor trustee of such trusts. Such notice to the Issuer and to the Borrower may be served personally or sent by registered mail. If no successor trustee shall have been so appointed by the Beneficial Owners pursuant to Section 1108 hereof within thirty (30) days after delivery of such notices, a temporary trustee may be appointed by the Issuer pursuant to Section 1108 hereof. If no successor trustee is appointed and has accepted appointment within thirty (30) days of the giving of written notice by the resigning trustee as aforesaid the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

Section 1107. Removal of the Trustee.

The Trustee may be removed at any time (i) by the Issuer for any breach of the trusts set forth herein or for failure or refusal to act as trustee, (ii) upon thirty (30) days' notice by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the Majority Beneficial Owners, or (iii) upon thirty (30) days' notice by an instrument in writing delivered to the Trustee and signed by the Authorized Borrower Representative provided the Borrower are not in default as to the payment of any Basic Loan Payments and no other Event of Default is occurring. Removal of the Trustee pursuant to (ii) or (iii) above shall not be effective until the Trustee is paid for all Ordinary Services and Extraordinary Services of the Trustee rendered hereunder and for all Ordinary Expenses and Extraordinary Expenses of the Trustee incurred hereunder.

Section 1108. Appointment of Successor Trustee; Temporary Trustee.

In case the Trustee hereunder shall (a) resign or be removed or (b) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting hereunder, a successor may be appointed by an instrument executed and signed by the Chairman or Vice Chairman and attested by the Secretary-Treasurer or Assistant Secretary-Treasurer of the Issuer under its seal and executed by an Authorized Borrower Representative; provided, that if a successor trustee is not so appointed within ten (10) days after notice of resignation is mailed or an instrument of removal is delivered as provided under Sections 1106 and 1107 hereof, respectively, or within ten (10) days of the Issuer's knowledge of any of the events specified in (b) hereinabove, then Majority Beneficial Owners, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, delivered personally or sent by registered mail to the Issuer and the Borrower, may designate a successor trustee. Until a successor trustee shall be appointed by the Beneficial Owners in the manner above provided, the Issuer, by resolution and upon written notice to the Borrower, shall appoint a temporary trustee to fill such vacancy, and any such temporary trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor trustee so appointed by the Beneficial Owners. Notice of the appointment of a successor trustee shall be given in the same manner as provided by Section 1106 hereof with respect to the resignation of the Trustee. Every such successor trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing within or outside the State, shall be eligible to serve as trustee, bond registrar, and paying agent under the Act, shall be duly authorized to exercise trust powers and subject to examination by federal or state authority, shall have a reported combined capital, surplus, and undivided profits of not less than \$25,000,000, and shall be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions of this Indenture.

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

Section 1109. Concerning Any Successor Trustee.

Every successor trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, remedies, immunities, privileges, duties, and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1102 hereof, execute and deliver an instrument transferring to such successor trustee all the estates, properties, obligations, duties, remedies, immunities, privileges, rights, powers, and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and moneys held by it as trustee hereunder to its successors, and every predecessor trustee shall deliver the registration books held by it as bond registrar hereunder to its successors. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, trusts, rights, obligations, remedies, immunities, privileges, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor trustee in each recording office where this Indenture or a financing statement relating thereto shall have been filed or recorded, if any.

Section 1110. Right of the Trustee to Pay Insurance, Taxes, and Other Charges.

In case any tax, assessment, or governmental or other charge upon, or insurance premium with respect to, any part of the property herein conveyed is not paid as required herein or in the Loan Agreement and is not being contested pursuant to Section 3.08 of the Loan Agreement, the Trustee may pay such tax, assessment, or governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Trustee or Beneficial Owners hereunder arising in consequence of such failure, and any amount at any time so paid under this Section with interest thereon from the date of payment at the rate charged prime corporate borrower per annum on demand loans by the commercial lending department of the Trustee, shall become an additional obligation secured by this Indenture and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the revenues herein pledged to the payment of the Bonds if not otherwise caused to be paid, but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by Owners of at least twenty-five percent (25%) in the aggregate principal amount of all Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 1111. Trustee Protected in Relying Upon Resolutions.

The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 1112. Successor Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar.

Upon a change in the office of trustee, the predecessor trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund, Issuance Cost Fund, Project Fund, Rebate Fund, and any special trust funds hereunder created and shall cease to be paying agent for the payment of principal of and interest and premium, if any, on the Bonds and shall cease to be bond registrar, and the successor trustee as qualified under Section 1108 hereof shall become such trustee, paying agent, and bond registrar.

Section 1113. Trust Estate May Be Vested in Separate Trustee or Co-Trustee.

It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Bond Documents and in particular in case of the enforcement of either on an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or may not hold title to the Trust Estate, in trust, as herein granted, or may not take any other action which may be necessary or desirable in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 1113 are adopted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, duty, obligation, interest, security interest, and lien expressed or intended by this Indenture to be exercised by or vested in or granted or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 1114. Indemnification of Trustee.

Before taking any action under this Indenture or any other Bond Documents at the direction or request of the Beneficial Owners, the Trustee may require that satisfactory security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities.

Section 1115. List of Registered Owners.

The Trustee shall keep on file a list of names and addresses of all Registered Owners of Bonds as may from time to time be shown on the registration books in the hands of the Trustee together with the principal amount and numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer, Underwriters, the Borrower, or Beneficial Owners (or a designated representative thereof) of fifteen percent (15%) or more in aggregate principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 1116. Filing Continuation Statements.

The Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by the State Uniform Commercial Code - Secured Transactions in order to continue the financing statements in connection with the security interests identified in Section 3.02 of the Loan Agreement filed on or before the Closing Date. The Trustee shall have no duty to determine, at any time, whether the financing statements filed in connection with the security interests identified in Section 3.02 of the Loan Agreement or otherwise were or remain sufficient to perfect such security interests under applicable law.

Section 1117. Acceptance of Instruction via Electronic Means.

In the event that the Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture, the Loan Agreement or any other document reasonably related to the Bonds sent by the Issuer or the Borrower, as the case may be, by Electronic Means or other similar electronic methods, provided, however, that the Issuer and the Borrower, respectively, shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or the Borrower, as applicable, elects to give the Trustee by Electronic Means (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Borrower, as applicable, agrees to assume all risks arising out of the use of such Electronic Means to submit instructions and directions to the Trustee, including without limitation the

risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[End of Article XI]

ARTICLE XII

AMENDMENTS TO INDENTURE AND SUPPLEMENTAL INDENTURES

Section 1201. Amendments to Indenture and Supplemental Indentures Not Requiring Consent of Beneficial Owners.

- (a) The Issuer and the Trustee may, without the consent of or notice to any of the Beneficial Owners, but with the consent of the Borrower if required by Section 1203 hereof, enter into an amendment to this Indenture or an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:
- (i) to cure any ambiguity or formal defect or omission in, or to correct or supplement any defective provision of, this Indenture,
 - (ii) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations, and restrictions to be observed by the Issuer for the protection of the Beneficial Owners,
 - (iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new trustee or the appointment of a new or additional paying agent or bond registrar,
 - (iv) to grant to or confer upon the Trustee for the benefit of Beneficial Owners any additional rights, remedies, powers, benefits, security, liabilities, duties, or authority that may lawfully be granted to or conferred or imposed upon the Beneficial Owners or the Trustee or either of them,
 - (v) to subject to the lien and security interest of this Indenture additional revenues, properties, or collateral,
 - (vi) to modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of Bonds for sale under the securities laws of any state, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute,
 - (vii) to modify, amend, or supplement this Indenture in such manner to assure the continued exclusion from gross income of the Beneficial Owners thereof for federal income tax purposes of interest on any Bonds which is excludable from the gross income of the Beneficial Owners thereof for federal income tax purposes,
 - (viii) to comply with any provisions of the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, or any rules or regulations promulgated thereunder,
 - (ix) to reflect a change in applicable law provided that the Trustee shall determine (which may be in reliance on an opinion of counsel) that such amendment or supplemental indenture does not prejudice the rights of Beneficial Owners, or

- (x) in connection with any other change herein which, in the judgment of the Trustee (which may be in reliance on an opinion of counsel), does not prejudice or materially adversely affect the Beneficial Owners or impair the Trust Estate or adversely affect the Trustee's duties, rights, or immunities.
- (b) The Issuer and the Trustee shall, without the consent of or notice to any Beneficial Owners, enter into an indenture or indentures supplemental to this Indenture (i) in connection with the issuance of any Additional Bonds in accordance with Section 211 and the inclusion of additional security in connection therewith, (ii) to the extent necessary with respect to the land and interests in land, buildings, furnishings, machinery, equipment, and all other real and personal property which may form a part of the Project, so as to more precisely identify the same or to substitute or add additional land or interests in land, buildings, furnishings, machinery, equipment, or real or personal property as security, or (iii) with respect to any changes required to be made in the description of the Trust Estate in order to conform with similar changes made in the Loan Agreement as permitted by Section 1301 hereof.
- (c) Prior to entering into an amendment or supplemental indenture pursuant to (a) or (b) above, there shall be delivered to the Issuer and the Trustee a Favorable Opinion of Bond Counsel.

Section 1202. Amendments to Indenture and Supplemental Indentures Requiring Consent of Beneficial Owners.

Exclusive of amendments and indentures supplemental hereto covered by Section 1201 hereof and subject to the terms and provisions contained in this Section and not otherwise, Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of an amendment or amendments to this Indenture or such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of every Owner of such Bonds, or (b) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interest of this Indenture, without the consent of the Beneficial Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (c) a reduction in the amount, or an extension of the time of any payment, required by the mandatory redemption provisions of Section 304(c) of this Indenture, without the consent of the Beneficial Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (d) a reduction in the aforesaid aggregate principal amount of Bonds the Beneficial Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Beneficial Owners of all Bonds at the time Outstanding which would be affected by the action to be taken, or (e) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee, or (f) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (g) the release of or requirements for the release of this Indenture, without the consent of the Beneficial Owners of all Bonds at the time Outstanding which would be affected by the action to be taken.

Prior to entering into such an amendment or supplemental indenture there shall be delivered to the Issuer and the Trustee a Favorable Opinion of Bond Counsel. If at any time the Issuer shall request the Trustee to enter into any such amendment or supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, upon being reasonably indemnified with respect to expenses, cause notice of the proposed execution of such amendment or supplemental indenture to be given to the Beneficial

Owners in substantially the manner provided in Section 303 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed amendment or supplemental indenture and shall state that copies thereof are available from the Trustee upon request. The costs of such copies shall be an Ordinary Expense. If, within sixty (60) days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, Owners of not less than a majority in aggregate principal amount of Bonds Outstanding at the time of the execution of any such amendment or 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 to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment or supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of an amendment or supplemental indenture has been effected in compliance with the provisions of this Article XII.

Section 1203. Consent of Borrower.

Anything herein to the contrary notwithstanding, if the Borrower is not in default under the Loan Agreement at such time, an amendment or supplemental indenture under this Article XII which affects any rights or obligations of the Borrower or which changes the priority or use of moneys under this Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such amendment or supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such amendment or supplemental indenture, together with a copy of such amendment or supplemental indenture, to be mailed by certified or registered mail or personally delivered to the Borrower at least fifteen (15) days prior to the proposed date of execution and delivery of any such amendment or supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such amendment or supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the fifteenth (15th) day after the mailing of such notice and a copy of the proposed amendment or supplemental indenture.

[End of Article XII]

ARTICLE XIII

AMENDMENT OF OTHER BOND DOCUMENTS

Section 1301. Amendments to Other Bond Documents Not Requiring Consent of Beneficial Owners.

The Issuer and the Trustee shall, without the consent of or notice to Beneficial Owners, consent to any amendment, change, or modification of the Bond Documents other than this Indenture as may be required (i) by the provisions of the Loan Agreement and this Indenture, (ii) in connection with the issuance of Additional Bonds as provided in Section 211 hereof, (iii) for the purpose of curing any ambiguity or formal defect or omission therein, or to correct or supplement any defective provision thereof, (iv) in connection with the land and interests in land, buildings, machinery, equipment, and other real or personal property described in Exhibit A to the Security Deed so as to identify more precisely the same or to substitute or add additional land or interests in land, buildings, machinery, equipment, or other real or personal property, (v) so as to add additional rights acquired in accordance with the provisions of the Bond Documents, (vi) to substitute a new borrower under the Loan Agreement as provided therein, (vii) to comply with any provisions of the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, or any rules or regulations promulgated thereunder, or (viii) in connection with any other change therein which, in the judgment of the Trustee (which may rely on an opinion of counsel), does not prejudice the Trustee or materially adversely affect Owners of Bonds. Prior to entering into any amendment, change, or modification of the Bond Documents other than this Indenture, there shall be delivered to the Issuer and the Trustee a Favorable Opinion of Bond Counsel.

Section 1302. Amendments to Other Bond Documents Requiring Consent of Beneficial Owners.

Except for the amendments, changes, or modifications as provided in Section 1301 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than this Indenture without giving notice to and obtaining the written approval or consent of Owners of not less than a majority in aggregate principal amount of Bonds at the time Outstanding given and procured as in this Section 1302 provided; provided, however, that nothing in this Section or Section 1301 hereof shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every Owner of Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Bonds the Beneficial Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Beneficial Owners of all Bonds at the time Outstanding which would be affected by the action to be taken. Prior to entering into any amendment, change, or modification of the Bond Documents other than this Indenture, there shall be delivered to the Issuer and the Trustee a Favorable Opinion of Bond Counsel. If at any time the Issuer or the Borrower shall request any such proposed amendment, change, or modification of such other Bond Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Beneficial Owners. If, within sixty (60) days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, the Trustee and the Beneficial Owners of not less than a majority in aggregate principal amount of Bonds Outstanding at the time of the execution of such proposed amendment, change, or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee from consenting to the execution thereof or to enjoin or restrain the Issuer or the Borrower from executing the same or from

taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith.

[End of Article XIII]

ARTICLE XIV

MISCELLANEOUS

Section 1401. Consents of Beneficial Owners.

While Bonds are held in Book-Entry Form, as provided by Section 213 hereof, for purposes of this Section 1401 the term “Beneficial Owners” shall mean the Beneficial Owners of Bonds.

Any consent, request, direction, approval, waiver, objection, or other instrument required by this Indenture to be signed and executed by the Beneficial Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Beneficial Owners in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, waiver, objection, or other instrument or of the writing appointing any such agent and of the Beneficial 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 under such request or other instrument, namely:

- (a) the fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument or writing acknowledged to him the execution thereof; where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority;
- (b) the fact of ownership of Bonds and the amount or amounts, numbers, other identification of such Bonds, and the date of ownership shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 207 hereof;
- (c) any request, consent, or vote of the Beneficial Owner of any Bond shall bind every future Owner of the same Bond and the Beneficial Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request, consent, or vote; and
- (d) in determining whether Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Indenture, Bonds which are owned by the Issuer, by the Borrower, or by any other obligor under the Loan Agreement or on the Bonds, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, but only Bonds which the Trustee knows to be so owned shall be disregarded; Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Bonds; in case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 1402. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower, and Owners of Bonds any legal or equitable right, remedy, or claim under or in respect to this Indenture, or any covenants, conditions, and provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Borrower, and Owners of Bonds herein provided for.

Section 1403. Severability.

If any provision of this Indenture shall be held or be deemed to be or shall, in fact, be illegal, invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained illegal, invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1404. Notices.

All notices, certificates, or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested or shall be sufficiently given and deemed given when dispatched by Electronic Means, or when delivered by personal delivery addressed as follows:

- If to the Issuer: Development Authority of Cobb County
1100 Circle 75 Parkway, Suite 1000
Atlanta, Georgia 30339
Attention: Executive Director
E-mail: ngeter@cobbchamber.org

- with a copy to: Seyfarth Shaw LLP
1075 Peachtree Street, N.E., Suite 2500
Atlanta, Georgia 30309
Attention: Daniel M. McRae
E-mail: dmcray@seyfarth.com

- If to the Borrower : KSU 2024 Housing Real Estate Foundation, LLC
c/o Kennesaw State University Foundation, Inc.
1000 Chastain Road
Kennesaw, Georgia 30144
Attention: Chief Financial Officer
E-mail: sbridg18@kennesaw.edu

- If to the Trustee: Wilmington Trust, National Association
99 Wood Avenue South, 10th Floor
Iselin, New Jersey 08830
Attention: Corporate Trust Department
E-mail: bvonarx@wilmingtontrust.com

If to the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Public Finance Group - 23rd Floor
New York, New York 10007
Attention: Public Finance Group
Facsimile: (212) 208-3511

If to the Underwriters: Raymond James & Associates, Inc.
3050 Peachtree Road, N.E., Suite 702
Atlanta, Georgia 30305
Attention: David H. Gray, Managing Director
E-mail: david.gray@raymondjames.com

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

Section 1405. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be, in the location of the principal corporate trust office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding Business Day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1406. Counterparts.

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

Section 1407. Laws Governing Indenture and Situs and Administration of Trust.

The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by and construed according to the laws of the State, exclusive of such State's rules regarding choice of law.

Section 1408. No Liability of Issuer's or Trustee's Officers.

No recourse under or upon any obligation, covenant, or agreement contained in this Indenture, or in the Bonds, or for any claim based thereon, or under any judgment obtained against the Issuer or the Trustee, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other

circumstances, under or independent of this Indenture, shall be had against any incorporator, member, or officer, as such, past, present, or future of the Issuer or the Trustee, or any incorporator, member, or officer of any successor corporation, as such, either directly or through the Issuer or the Trustee, or any successor corporation, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Beneficial Owners or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Beneficial Owners or otherwise, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Section 1409. Notice to Rating Agency.

The Trustee shall notify the Rating Agency then rating the Bonds at the earlier of fifteen (15) days prior to or immediately upon the Trustee receiving written notice of (a) any default under this Indenture or the Loan Agreement, (b) any reduction or removal of any *ad valorem* tax exemption afforded the Project, (c) any prepayment of the Loans, (d) any casualty or loss and the associated insurance payments therefor, if any, (e) any defeasance of the Bonds, (f) any pending sale of or addition to the Project, (g) the appointment of any successor to the Trustee, (h) any supplement or amendment to this Indenture, the Loan Agreement, or the Borrower Documents and (i) any other information the Rating Agency shall reasonably request in writing.

Section 1410. Entire Agreement.

This Indenture and the Bond Documents and the exhibits hereto and thereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 1411. Electronic Signatures

The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Bond Indenture) shall be deemed (a) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by Electronic Means; in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and “electronically signed document” means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature.

Section 1412. Electronic Transactions and Storage.

The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[End of Article XIV]

SIGNATURES AND SEALS

IN WITNESS WHEREOF, the Issuer has executed this Indenture by causing its name to be hereunto subscribed by its Chairman or Vice Chairman and by causing the official seal of said Issuer to be impressed hereon and attested by its Secretary-Treasurer or Assistant Secretary-Treasurer; and the Trustee has executed this Indenture by causing its name to be hereunto subscribed by its authorized officer and by causing its corporate seal to be impressed hereon and attested by its authorized officer, all being done as of the day and year first above written but actually executed by the Issuer as of the day and year first written above.

**DEVELOPMENT AUTHORITY OF COBB
COUNTY**

By: _____
Chairman

(SEAL)

Attest:

Secretary-Treasurer

[Signatures and Seals Continued]

**WILMINGTON TRUST, NATIONAL
ASSOCIATION**

By: _____
Vice President

EXHIBIT A

FORM OF SERIES 2025 BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF GEORGIA**

**DEVELOPMENT AUTHORITY OF COBB COUNTY
LEASE REVENUE BOND
(KSU SUMMIT II STUDENT HOUSING PROJECT)
SERIES 2025**

Number: R-1

Principal Amount: \$ _____

**Rate of
Interest:**

____%

Maturity Date:

July 15, 20__

Dated:

March __, 2025

CUSIP:

19078V__

Registered Owner: Cede & Co.

KNOW ALL MEN BY THESE PRESENTS that Development Authority of Cobb County, a public body corporate and politic created and existing under the laws of the State of Georgia (hereinafter called the “Issuer”), for value received, hereby promises to pay, but only from the source as hereinafter provided, to the Registered Owner shown above, or registered assigns, on the maturity date specified above (unless this bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for), the principal sum stated above and in like manner to pay interest on said principal sum from time to time remaining unpaid (a) from its date if authenticated prior to the first Interest Payment Date (as hereinafter defined) or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which this bond is authenticated (unless such payment of interest is in default, in which case this bond shall bear interest from the date to which interest has been paid), at the rate of interest stated above per annum, on July 15, 2025, and semiannually thereafter on January 15 and July 15 (each an “Interest Payment Date”) of each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. This bond shall bear interest on overdue principal at the aforesaid rate. Principal of and premium, if any, on this bond are payable by check or draft in lawful money of the United States of America by presentation and surrender of this bond at the principal corporate trust office of Wilmington Trust, National Association, Iselin, New Jersey, as trustee, or its successor in trust (hereinafter referred to as the “Trustee”) or at the duly designated office of any duly appointed alternate or successor paying agent.

Interest on this bond is computed on the basis of a 360-day year consisting of twelve 30-day months. Payment of interest on this bond shall be made to the registered owner hereof (the “Owner”) and shall be paid in lawful money of the United States of America by check or draft mailed to the Registered Owner, at his address as it appears on the registration books of the Issuer maintained by the Trustee, as bond registrar,

on behalf of the Issuer, at the close of business on the first (1st) day of the month (whether or not a Business Day, as defined in the hereinafter described Indenture) next preceding each interest payment date (the “Record Date”), irrespective of any transfer or exchange of this bond subsequent to a Record Date and prior to such interest payment date, by the Registered Owner, unless the Issuer shall be in default in the payment of interest due on such interest payment date. Upon any such default, such defaulted interest shall be payable to the Registered Owner at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee on behalf of the Issuer to the Registered Owner of this bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the Registered Owner at his address that appears on the registration books maintained by the Trustee at the close of business on the fifth (5th) day preceding the date of mailing. At the option of the Registered Owner of this bond, if such owner is the Registered Owner of not less than \$500,000 in aggregate principal amount outstanding of bonds issued under and secured by the hereinafter described Indenture, interest shall be paid by wire transfer in immediately available funds to a bank within the continental United States in accordance with written wire transfer instructions filed with the Trustee prior to the close of business on the Business Day preceding the Record Date. Interest shall continue to be paid in accordance with such instructions, until revoked in writing, except for the final payment of interest upon maturity or redemption prior to maturity which shall be paid only upon presentation of this bond to the Trustee.

This bond is one of the series of bonds issued by the Issuer pursuant to a resolution duly adopted by the governing body of the Issuer and the hereinafter described Indenture in the aggregate principal amount of \$[_____] (hereinafter referred to as the “Series 2025 Bonds”).

THIS SERIES 2025 BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, COBB COUNTY, THE STATE OF GEORGIA, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF GEORGIA, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THIS SERIES 2025 BOND SHALL BE A LIMITED OR SPECIAL OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS PROVIDED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA, COBB COUNTY, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF GEORGIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS SERIES 2025 BOND OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER AND RECEIVES NO APPROPRIATIONS FROM COBB COUNTY OR ANY OTHER GOVERNMENTAL BODY. NEITHER THE MEMBERS OF THE GOVERNING BODY OF THE ISSUER NOR ANY PERSON EXECUTING THIS SERIES 2025 BOND SHALL BE LIABLE PERSONALLY ON THIS SERIES 2025 BOND BY REASON OF THE ISSUANCE THEREOF.

Purposes for Which the Bonds are Being Issued

The Series 2025 Bonds are authorized to be issued for the purposes of (i) financing the cost of constructing, furnishing, and equipping an approximately 462-bed student housing facility (the “Project”) on the Kennesaw campus of and for the use of Kennesaw State University (the “University”) owned by KSU 2024 Housing Real Estate Foundation, LLC, a limited liability company duly organized and existing under of the laws of the State of Georgia (the “Borrower”), (ii) funding capitalized interest on the Series 2025 Bonds, and (iii) paying costs related to the issuance of the Series 2025 Bonds. The sole member of the Borrower is Kennesaw State University Foundation, Inc., a Tax-Exempt Organization as defined in the Loan Agreement described below.

Loan of the Proceeds of the Bonds

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to a Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower. The

Borrower is obligated pursuant to the hereinafter defined Series 2025 Note to make to the Issuer such loan repayments as will always be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as the same mature and become due, and under the Loan Agreement it is the obligation of the Borrower to pay all expenses of operating and maintaining the Project in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Project. To evidence the obligation to pay loan payments sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, the Borrower has executed and delivered to the Issuer its promissory note in the principal amount of \$[_____], dated the date of the Series 2025 Bonds (the “Series 2025 Note”) and the Issuer has endorsed the Series 2025 Note to the order of the Trustee.

Security for the Bonds

The obligations of the Borrower under the Loan Agreement and the Series 2025 Note are secured by a Leasehold Deed to Secure Debt, Assignment of Rents and Leases, Security Agreement, and Fixture Filing, dated as of April 1, 2025 (the “Security Deed”), pursuant to which the Borrower has conveyed to the Trustee security title in and to the real property included in the Project and has assigned and pledged to the Trustee the Borrower’s interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Project, all subject to Permitted Encumbrances, as defined in the Loan Agreement.

The Series 2025 Bonds are all issued under and are secured and entitled to the protection given by a Trust Indenture, dated as of April 1, 2025 (hereinafter referred to as the “Indenture”), between the Issuer and the Trustee. Pursuant to the Indenture, as security for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, the Issuer has assigned and pledged to the Trustee, and granted a first priority security interest to the Trustee in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement) and the Series 2025 Note, and all revenues, payments, receipts, and moneys to be received and held thereunder. It is provided in the Indenture that the Issuer may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds will rank on a parity with the Series 2025 Bonds. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the property subject to the lien and security interest of the Indenture, the provisions, among others, with respect to the nature and extent of the security for the Series 2025 Bonds, the rights, duties, and obligations of the Issuer, the Trustee, and owners of the Series 2025 Bonds, the issuance of Additional Bonds, the terms upon which Additional Bonds may be issued and secured, and the provisions regulating the manner in which the terms of the Indenture, Loan Agreement, and Security Deed may be modified, to all of which provisions the Beneficial Owner (as defined in the Loan Agreement) of this bond, on behalf of himself and his successors in interest, assents by acceptance hereof.

Denominations; Registration Provisions

The Series 2025 Bonds are issuable only in the form of fully registered bonds without coupons in the denominations of \$5,000 each or any integral multiple thereof. Subject to the conditions and upon the payment of charges provided in the Indenture, the Registered Owner of any bond or bonds issued under the Indenture may, if not prohibited by law, surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his attorney duly authorized in writing) in exchange for an equal aggregate principal amount of bonds of the same series, interest rate, and maturity or maturities and of any other authorized denominations. This bond is transferable as provided in the Indenture by the Registered Owner in person or by the Registered Owner’s attorney duly authorized in writing at the principal corporate trust office of the Trustee, upon surrender of this bond accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the Trustee, and upon payment of any governmental charges or taxes incident to such transfer. Upon any such transfer, a new bond or bonds in the same aggregate principal amount and of the same series, interest rate, and maturity or maturities will be issued to the transferee. The Issuer and Trustee may deem and treat the

Registered Owner as the absolute owner hereof (whether or not this bond shall be overdue) for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest due on this bond and for all other purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

Redemption of the Series 2025 Bonds

Extraordinary Redemption. Series 2025 Bonds may be called for redemption, at the option of the Issuer, at the direction of the Borrower, in the event of: (1) damage to or destruction of the Project or any part thereof to the extent permitted in Section 7.01 of the Loan Agreement, (2) condemnation of all or a portion of the Project to the extent permitted in Section 7.01 of the Loan Agreement, (3) if as a result of changes to the Constitution of the United States or of the State, or as a result of legislative, executive, or judicial action of the United States, the State, or any political subdivision thereof, or a regulatory body, the Loan Agreement becomes void, unenforceable, or impossible of performance in accordance with the present intentions of the parties, or unreasonable burdens or excessive liabilities are imposed on the Borrower by reason of its ownership of the Project, (4) in the event Net Proceeds of the Title Policy are used to redeem Series 2025 Bonds pursuant to Section 7.01(e) of the Loan Agreement, or (5) from funds remaining in the Bond Proceeds Account of the Project Fund, if any, following the completion of the Project.

If the Series 2025 Bonds are called for redemption in the events described in the preceding paragraph, Series 2025 Bonds shall be subject to redemption in whole or in part at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If the Series 2025 Bonds are redeemed upon the occurrence of any of the events described above, Series 2025 Bonds shall be redeemed by the Issuer at the direction of the Borrower within one hundred eighty (180) days of such event.

Optional Redemption. The Series 2025 Bonds maturing on and after July 15, 20[___] are subject to optional redemption prior to maturity by the Issuer upon written request of the Borrower on and after July 15, 20[___] in whole or in part on any date at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

Mandatory Redemption. Series 2025 Bonds are subject to mandatory redemption prior to maturity, in part, in accordance with the mandatory redemption requirements of Article III of the Indenture, at 100% of the principal amount thereof plus accrued interest to the redemption date.

Partial Redemption. Except for mandatory redemption, if less than all of the Series 2025 Bonds are called for redemption in any of the circumstances set forth above, Series 2025 Bonds shall be redeemed as directed in writing by the Authorized Borrower Representative and if less than all of the Series 2025 Bonds of a maturity are to be redeemed, and in the case of mandatory redemption pursuant to Section 304(c) of the Indenture, the particular Series 2025 Bonds or portions thereof of such series to be redeemed within a maturity will be selected by lot by DTC or any successor Depository in accordance with its procedures or, if the book-entry system is discontinued, by lot by the Trustee. If the Trustee receives no such direction from the Borrower, the Series 2025 Bonds shall be called in inverse order of maturity and if less than all of the Series 2025 Bonds of a maturity are to be redeemed, the particular Series 2025 Bonds or portions thereof within a maturity to be redeemed shall be selected by lot by The Depository Trust Company or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, in such manner as the Trustee shall determine. If a Series 2025 Bond is of a denomination larger than \$5,000, a portion of such Series 2025 Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Series 2025 Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption. If any Series 2025 Bonds or portions thereof (which shall be in amounts equal to \$5,000 or an integral multiple thereof) are called for redemption as aforesaid, notice thereof identifying the Series 2025 Bonds or portions thereof to be redeemed shall be given by the Trustee by

mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of each Series 2025 Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Series 2025 Bonds. All Series 2025 Bonds or portions thereof so called for redemption shall cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and shall not be deemed to be outstanding under the provisions of the Indenture. Upon the written direction of the Authorized Borrower Representative, the notice of redemption for optional redemption will contain a statement to the effect that the redemption of the Series 2025 Bonds is conditioned upon the receipt by the Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2025 Bonds to be redeemed, and that if such amounts have not have been so received, the notice will be of no force and effect and the Issuer will not be required to redeem such Series 2025 Bonds and such Series 2025 Bonds will not become due and payable.

Other Provisions

This Series 2025 Bond and the series of which it forms a part, as may be outstanding from time to time, are issued pursuant to and in full conformity with a resolution duly adopted by the governing body of the Issuer under the authority of and in full conformity with the Constitution and laws of the State of Georgia, particularly the provisions of Development Authorities Law, O.C.G.A. Section 36-62-1 *et seq.*, as amended, and the Revenue Bond Law, O.C.G.A. Section 36-82-60 *et seq.*, as amended. This Series 2025 Bond and the series of which it forms a part are not general obligations of the Issuer but are payable solely from the revenues and receipts derived from the Project and otherwise as provided in the Indenture. Pursuant to the provisions of the Loan Agreement, loan payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Series 2025 Bonds are to be paid by the Borrower to the Trustee for the account of the Issuer and deposited in the Bond Fund created under the Indenture and have been and are hereby again duly pledged for that purpose.

The Beneficial Owner of this Series 2025 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in, or defend any suit or other proceedings with respect thereto except as provided in the Indenture. In certain events, on the conditions, in the manner, and with the effect set forth in the Indenture, the principal of all of the Series 2025 Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Series 2025 Bond do exist, have happened, and have been performed in due time, form, and manner as required by law in order to make this Series 2025 Bond a valid and legal revenue obligation of the Issuer and that the issuance of the Series 2025 Bonds, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation applicable to the Issuer.

This Series 2025 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the herein described Indenture until the Trustee's certificate of authentication hereon shall have been duly executed by the Trustee.

[Signatures Follow]

IN WITNESS WHEREOF, Development Authority of Cobb County has caused this Series 2025 Bond to be executed by its Chairman or Vice Chairman by his or her manual or facsimile signature, has caused its official seal to be impressed or reproduced hereon, and has caused this Series 2025 Bond to be attested by its Secretary-Treasurer or Assistant Secretary-Treasurer by his or her manual or facsimile signature.

**DEVELOPMENT AUTHORITY OF COBB
COUNTY**

By: _____
Chairman

(SEAL)

Attest:

Secretary-Treasurer

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Series 2025 Bond is one of the Series 2025 Bonds described in the within mentioned Indenture.

**WILMINGTON TRUST, NATIONAL
ASSOCIATION**

By: _____
Authorized Signatory

(SEAL)

Date of Registration
and Authentication:

_____, ____.

[FORM OF VALIDATION CERTIFICATE]

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF COBB

The undersigned Clerk of the Superior Court of Cobb County, State of Georgia, **DOES HEREBY CERTIFY** that this Series 2025 Bond was validated and confirmed by judgment of the Superior Court of Cobb County, Georgia in Civil Action File Number [_____] on the ____ day of [January], 2025 and that no intervention or objection was filed in the proceedings validating same and that no appeal from said judgment for validation has been taken.

Clerk, Superior Court, Cobb County

(SEAL)

[FORM OF ASSIGNMENT]

ASSIGNMENT

The following abbreviations, when used in the inscription on this Series 2025 Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN- as joint tenants with right of survivorship and not as tenants in common and not as community property

UNIF TRANS
MIN ACT - _____ Custodian for _____
(Custodian) (Minor)

under Uniform Transfer to Minors Act

(State)

Additional abbreviations may be used although not in the above list.

FOR VALUE RECEIVED, the undersigned, _____, hereby sells, assigns, and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

DTC FAST RIDER

Each Series 2025 Bond certificate shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Trustee and DTC.

[END OF FORM OF SERIES 2025 BOND]

EXHIBIT B

ISSUANCE COST FUND REQUISITION

[Attached]

ISSUANCE COST FUND

CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____

Draw Request # __

KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”) hereby requests, pursuant to the Trust Indenture, dated as of April 1, 2025 (the “Indenture”), between the Development Authority of Cobb County (the “Issuer”) and Wilmington Trust, National Association, as trustee (the “Trustee”), that the following amounts be disbursed to the following parties for the account of the Borrower from the Issuance Cost Fund created under the Indenture:

Name of Payee	Nature of Disbursement	Amount
---------------	------------------------	--------

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement, dated as of April 1, 2025, between the Issuer and the Borrower (the “Loan Agreement”) are hereby ratified and confirmed, (2) the above-listed items are properly included within the definition “Issuance Costs” included within the Loan Agreement, and (3) they have not previously been submitted to the Trustee for payment pursuant to the Loan Agreement.

KSU 2024 HOUSING REAL ESTATE FOUNDATION,
LLC

By: _____
Authorized Borrower Representative

EXHIBIT C

REPAIR, REPLACEMENT AND MAINTENANCE FUND REQUISITION

[Attached]

REPAIR, REPLACEMENT AND MAINTENANCE FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date:

Draw Request #____

The undersigned KSU 2024 Housing Real Estate Foundation, LLC (the "Borrower") hereby requests, pursuant to the Loan Agreement, dated as of April 1, 2025 (the "Loan Agreement"), between the Borrower and the Development Authority of Cobb County (the "Issuer"), that the following amounts be disbursed to the following parties for the account of the Borrower from the Repair, Replacement and Maintenance Fund created under the Trust Indenture, dated as of April 1, 2025, between the Issuer and Wilmington Trust, National Association (the "Trustee"):

Name of Payee	Nature of Disbursement	Amount
---------------	------------------------	--------

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed and (2) the above-listed items are maintenance and repair costs related to the Project which the Borrower is obligated to pay pursuant to the Rental Agreement relating to the Project, and that they have not previously been submitted to the Trustee for payment pursuant to the Loan Agreement.

KSU 2024 HOUSING REAL ESTATE FOUNDATION,
LLC

By: _____
Authorized Borrower Representative

APPENDIX A-2
FORM OF LOAN AGREEMENT

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DEVELOPMENT AUTHORITY OF COBB COUNTY

(a public body corporate and politic created and existing
under the laws of the State of Georgia)

and

KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC

(a limited liability company organized and existing under
the laws of the State of Georgia)

LOAN AGREEMENT

Dated as of April 1, 2025

Relating to

\$ _____

**Development Authority of Cobb County
Lease Revenue Bonds
(KSU Summit II Student Housing Project)
Series 2025**

THE INTEREST OF DEVELOPMENT AUTHORITY OF COBB COUNTY IN THIS LOAN AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED THEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN ASSIGNED AND ARE THE SUBJECT OF A GRANT OF A SECURITY INTEREST TO WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE, UNDER A TRUST INDENTURE DATED AS OF APRIL 1, 2025.

LOAN AGREEMENT

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and is only for convenience of reference.)

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Loan Agreement”), dated as of April 1, 2025, by and between the **DEVELOPMENT AUTHORITY OF COBB COUNTY**, a public body corporate and politic created and existing under the laws of the State of Georgia (the “Issuer”), and **KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC** (the “Borrower”), a limited liability company duly organized and existing under the laws of the State of Georgia, whose sole member is Kennesaw State University Foundation, Inc., a nonprofit corporation duly organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, as hereinafter defined;

W I T N E S S E T H:

IN CONSIDERATION OF the respective representations and agreements hereinafter contained, the parties hereto agree as follows, provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute a general obligation of the Issuer but shall be payable solely out of the revenues, receipts, and other payments derived from this Agreement, the Indenture, and the sale of the Series 2025 Bonds referred to in Section 4.01 hereof and insurance proceeds, foreclosure proceeds, proceeds from released property, and condemnation awards as herein provided, and the Series 2025 Bonds and any interest and premium thereon shall not constitute a general obligation of the Issuer nor constitute an indebtedness or general obligation of the State of Georgia or any other agency or political subdivision of the State of Georgia, within the meaning of any constitutional or statutory provision whatsoever:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions.

Certain words and terms used in this Agreement are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Agreement:

“*Accountant*” means a certified public accountant, or a firm of certified public accountants, who or which is “independent” as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to the Borrower or its Affiliates (but who or which may be regularly retained by the Borrower or its Affiliates).

“*Act*” means the Development Authorities Law, O.C.G.A. Section 36-62-1 et seq., as amended, and as the same may be from time to time additionally supplemented and amended.

“*Additional Bonds*” means the additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 211 of the Indenture.

“*Additional Indebtedness*” means the additional Indebtedness permitted to be incurred by the Borrower pursuant to the terms and conditions of Section 8.14 hereof.

“*Additional Loan Payments*” means the loan payments payable by the Borrower, described under the subheading “Additional Loan Payments” in Section 5.02(c) hereof.

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

“*Administrative Costs*” means the costs incurred by the Issuer in performing its duties under this Loan Agreement and the Indenture and costs incurred by or on behalf of the Issuer in retaining other parties performing duties under this Loan Agreement and the Indenture, including, but not limited to, Trustee’s, Paying Agent’s, and Registrar’s fees and expenses, legal fees and expenses, accounting fees and expenses, administrative fees to the Issuer, fees and expenses of Bond Counsel, and fees and expenses of a Rebate Analyst as defined in the Tax Agreement.

“*Agreement*” or “*Loan Agreement*” means the within Loan Agreement between the Issuer and the Borrower, as the same may be amended or supplemented from time to time in accordance with the provisions of the Indenture.

“*Agreement Term*” means the duration of this Agreement as specified in Section 5.01 hereof.

“*Architect*” means Perkins+Will, Inc., and its successors and assigns.

“*Authorized Borrower Representative*” means the 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 signature of such person and signed on behalf of the Borrower by an authorized officer of each of the Borrower. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Authorized Denominations*” means the denominations of \$5,000 or any integral multiple thereof.

“*Authorized 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 signature of such person and signed on behalf of the Issuer by the Chairman or Vice Chairman of the Issuer. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Basic Loan Payments*” means the loan payments payable by the Borrower to the Issuer, described under the subheading “Basic Loan Payments” in Section 5.02(a) hereof.

“*Beneficial Owner*” shall have the meaning set forth in Section 213 of the Indenture.

“*Board of Regents*” means the Board of Regents of the University System of Georgia.

“*Bond Counsel*” means Butler Snow LLP or any other attorney at law or firm of attorneys selected by the Issuer and reasonably acceptable to the Trustee and the Borrower of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“*Bond Documents*” means, collectively, the Indenture and the Borrower Documents.

“*Bond Fund*” means the Bond Fund created in Section 501 of the Indenture.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement relating to the Bonds among the Issuer, the Borrower, and Raymond James & Associates, Inc..

“*Bonds*” means, collectively, the Series 2025 Bonds, and any Additional Bonds.

“*Bond Year*” means the twelve-month period beginning on July 16 of each calendar year and ending on July 15 of the next succeeding calendar year.

“*Borrower*” means KSU 2024 Housing Real Estate Foundation, LLC, a Georgia limited liability company, and its successors and assigns.

“*Borrower Documents*” means, collectively, the Rental Agreement, this Loan Agreement, the Series 2025 Note, the Ground Lease, the Security Deed, the Tax Agreement, the Bond Purchase Agreement, and the Continuing Disclosure Agreement.

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

“*Business Day*” means any day other than a day on which (a) banks located in the city in which the principal corporate trust office of the Trustee is located are authorized or required by law to close, or (b) The New York Stock Exchange or the payment system of the Federal Reserve System is closed.

“*Closing Date*” means the date of issuance and delivery of the relevant series of Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, and all regulations thereunder as they may exist from time to time. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment that supersedes or replaces the Code.

“*Company*” means Kennesaw State University Foundation, Inc., a nonprofit corporation duly organized and existing under of the laws of the State of Georgia that is a Tax-Exempt Organization, and its successors and assigns.

“*Completion Date*” means the date established by the provisions of Section 4.04 of this Agreement.

“*Completion Indebtedness*” means Indebtedness incurred prior to the completion of any Additions or Alterations to provide funds to complete the construction of such Additions or Alterations.

“*Construction Contract*” means that certain Construction Management Agreement dated March 19, 2024, as amended by Change Order No. 1 dated September 23, 2024, and as further amended by a [Guaranteed Maximum Price Amendment] dated [_____], 2025, between the Borrower and the General Contractor.

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

“*Continuing Disclosure Agreement*” means the Disclosure Dissemination Agent Agreement, dated as of the Closing Date, between the Borrower and the dissemination agent (initially Digital Assurance Certification LLC).

“*Controlled Group*” means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the “controlling entity”) directly controls another entity (the “controlled entity”), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial:

- (a) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or
- (b) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

“*Costs of the Project*” means those costs and expenses in connection with the Project permitted by the Act to be paid or reimbursed from Series 2025 Bond proceeds including, but not limited to, the following:

- (a) payment of (i) the cost of any preliminary study or planning of the Project or any aspect thereof, (ii) the cost of construction of the Project, and (iii) any other costs and expenses relating to the Project;
- (b) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project;
- (c) payment of the fees or out-of-pocket expenses of the Borrower, if any, including, but not limited to, architectural, engineering, and supervisory services with respect to the Project;

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

(e) payment to the Borrower of such amounts, if any, as are necessary to reimburse the Borrower in full for all advances and payments made by it for any of the items set forth in (a) through (d) above; and

(f) payment of any other costs and expenses relating to the Project which would constitute a “cost” or “expense” permitted to be paid by the Issuer under the Act.

“*Debt Service*” means the aggregate principal (whether at maturity or pursuant to mandatory redemption requirements), interest payments and other payments of the Borrower on Indebtedness during the period in question; provided however, that in reference to Indebtedness incurred to finance the construction of Additions or Alterations, principal and interest will be excluded from the determination of Debt Service to the extent the same is provided from the proceeds of such Indebtedness incurred to finance the construction of Additions or Alterations.

“*Debt Service Coverage Ratio*” means, for any period, the ratio of (i) Revenue Available for Debt Service to (ii) the Debt Service for such period.

“*Defaulted Interest*” means any interest on any Bond which is due and payable, but which is not punctually paid or duly provided for on any Interest Payment Date.

“*Defeasance Obligations*” means”

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America (the “U.S.”) or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. Treasury obligations
- All direct obligations of the U.S. or obligations fully guaranteed by the U.S.
- Farmers Home Administration obligations
- General Services Administration obligations
- Guaranteed Title XI financing obligations
- Government National Mortgage Association (GNMA) obligations
- State and Local Government Series obligations

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“*DTC*” means The Depository Trust Company, New York, New York.

“*Electronic Means*” means telecopy, telegraph, telex, facsimile transmission, e-mail transmission, or other similar electronic means of communication capable of being evidenced by a paper copy.

“*Environmental Laws*” means Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), Public Law No. 96-510, 94 Stat. 1613, the Resource Conservation and Recovery Act (“RCRA”), the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321

et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); CERCLA; the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.); RCRA; the Toxic Substance Control Act, as amended (15 U.S.C. §§ 2601 et seq.); the Clean Water Act; the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.); the Federal Coastal Zone Management Act, as amended (16 U.S.C. §§ 1451 et seq.); the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.); the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300(f) et seq.), and any other federal, state, or local law, statute, ordinance, and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree, or judgment applicable to the Premises relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species, and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity) natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“*Equipment*” means the equipment, machinery, furnishings, and other personal property constituting part of the Project and not constituting part of the Buildings that are or will be located on the Premises.

“*Event of Bankruptcy*” means the occurrence of any of the following events: (i) the Borrower shall become insolvent or the subject of insolvency proceedings or shall file a petition or other pleading seeking an “order for relief” within the meaning of the United States Bankruptcy Code, or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation of assets or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Borrower, or of substantially all of the assets of the Borrower, or shall make a general assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts generally as they become due; or (ii) a petition or other pleading shall be filed against the Borrower seeking an “order for relief” within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation of assets or similar relief under any present or future law or regulation, and shall remain undismissed or unstayed for an aggregate period of ninety (90) days (whether or not consecutive), or, by an order or decree of a court of competent jurisdiction, the Borrower shall become the subject of an “order for relief” within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or other pleading, or, by order or decree of such court, there shall be appointed, without the consent or acquiescence of the Borrower, a trustee in bankruptcy or reorganization or a receiver or liquidator of the Borrower or of all or any substantial part of the property of the Borrower, and any such order or decree shall have continued unvacated, unstayed on appeal or otherwise and in effect for a period of ninety (90) days.

“*Event of Default*” means any of the events specified in Section 10.01 of this Agreement or Section 1001 of the Indenture, as applicable.

“*Extraordinary Services of the Trustee*” and “*Extraordinary Expenses of the Trustee*” mean all reasonably necessary services rendered and all reasonably necessary expenses incurred by the Trustee under the Indenture after an Event of Default, including reasonable counsel fees, other than Ordinary Services of the Trustee and the Ordinary Expenses of the Trustee.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the taking of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Tax-Exempt Bonds).

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

“*General Contractor*” means J. E. Dunn Construction Company, and its successors and assigns.

“*Governing Body*” means with respect to the Issuer the members of the Issuer and with respect to the Borrower the Board of Trustees of the Company as the sole member of the Borrower.

“*Ground Lease*” means the Ground Lease dated as of April 1, 2025, between the Board of Regents and the Borrower.

“*Guaranty*” or “*Guarantees*” means all obligations of the Borrower guaranteeing or contingently agreeing to acquire, in any manner, whether directly or indirectly, other than for the purposes of collection in the ordinary course of business, any obligation of any other Person which obligation of such Person would constitute Indebtedness hereunder if such obligation were the obligation of the Borrower.

“*Hazardous Materials*” means petroleum, petroleum byproducts (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products and/or any hazardous substance or material, waste, pollutant or contaminant, defined as such in (or for the purposes of) the Environmental Laws.

“*Hedge Transactions*” means any interest rate swap transactions, basis swap transactions, option transactions or similar hedging transactions by which the Borrower can convert interest on all or a portion of its debt or investment income from a fixed rate to a floating rate, from a floating rate to a fixed rate or from one floating rate to another floating rate; provided, however, that the counterparty must have a minimum unsecured, long-term credit rating of Aa3 or AA- from Moody’s or S&P, respectively.

“*Indebtedness*” means (a) all indebtedness, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (b) all deferred indebtedness for the payment of the purchase price of properties or assets purchased, (c) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (d) all indebtedness secured by a mortgage, pledge, security interest, or lien existing on property owned which is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby has been assumed, (e) all capitalized lease obligations, (f) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (g) all amounts required to be paid by the Borrower as a guaranteed payment to partners or members or a preferred or special dividend, including any mandatory redemption of shares or interests, (h) all unfunded pension funds, or welfare or pension benefit plans or liabilities, and (i) all obligations (calculated on a net basis) of the Borrower under derivatives in the form of interest rate swaps, credit default swaps, total rate of return swaps, caps, floors, collars and other interest hedge agreements, in each case whether the Borrower is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assures a creditor against loss; provided, however, that for the purpose

of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there has been deposited with the proper depository in trust the necessary funds (or Government Obligations not callable or pre-payable by the issuer thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such Government Obligations so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and such direct obligations of the United States of America so deposited will not be included in any computation of the income of the Borrower.

“*Indenture*” means the Trust Indenture, dated as of April 1, 2025 between the Issuer and the Trustee, as the same may be amended or supplemented from time to time in accordance with the provisions of the Indenture.

“*Independent Counsel*” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States and not a full-time employee of the Issuer or the Borrower.

“*Insurance Consultant*” means a consultant employed by the Borrower at least once every two years, beginning not later than July 1, 2027, to review all policies of insurance and bonds and provide a written recommendation, if any, for increasing or decreasing any of the insurance or coverages required by this Agreement.

“*Interest Payment Dates*” means each January 15 and July 15 in the case of the Series 2025 Bonds, commencing July 15, 2025 in the case of the Series 2025 Bonds, and the dates on which interest is scheduled to be paid, in the case of Additional Bonds.

“*Issuance Cost Fund*” means the Issuance Cost Fund created in Section 502 of the Indenture.

“*Issuance Costs*” means:

(a) the initial or acceptance fee of the Trustee, the fees and taxes for recording and filing the Security Deed, financing statements, and any title curative documents that Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the title of the Borrower to the Project or the lien or security interest created or granted by the Security Deed, and the reasonable fees and expenses in connection with any actions or proceedings that Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Security Deed;

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

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

“*Issuer*” means the Development Authority of Cobb County, a public body corporate and politic created and existing under the laws of the State, and its successors and assigns.

“*Issuer Documents*” means, collectively, this Agreement, the endorsement of the Series 2025 Note, the Indenture, and the Bond Purchase Agreement.

“*Loan*” means the loan of the proceeds of the Series 2025 Bonds by the Issuer to the Borrower pursuant to Section 3.01(a) hereof which is evidenced by the Series 2025 Note.

“*Loan Payments*” means the loan payments payable by the Borrower described in Section 5.02 hereof.

“*Long-Term Indebtedness*” means all Indebtedness (other than Short Term Indebtedness or any Guaranty which, if it were a direct obligation of the Borrower, would constitute Short-Term Indebtedness) for any of the following:

(a) payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Borrower for a period from the date originally incurred, longer than one (1) year;

(b) payments under leases which are capitalized in accordance with GAAP having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one (1) year; and

(c) payments under installment purchase contracts having an original term in excess of one (1) year.

“*Majority Beneficial Owners*” means, at the time of determination, the Beneficial Owners of a majority in principal amount of Bonds then Outstanding.

“*Maximum Annual Debt Service*” means the maximum annual Debt Service that will come due in any Bond Year or Fiscal Year, as the case may be, provided, however, that the amount of principal due in any Bond Year will be determined, in the case of Bonds subject to mandatory redemption pursuant to Section 304(c) of the Indenture and similar provisions in any supplemental indenture, by the principal amount of such Bonds to be redeemed by mandatory redemption in such Bond Year. For purposes of determining Maximum Annual Debt Service, Debt Service on the final maturity of any Long-Term Indebtedness will be excluded to the extent of the amount on deposit in any debt service reserve fund related to such Long-Term Indebtedness and available to pay Debt Service on such final maturity.

“*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*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Borrower Representative by notice to the Issuer and the Trustee.

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

“*Notes*” means, collectively, the Series 2025 Note, and any notes issued in connection with Additional Indebtedness.

“*Operating Assets*” means any or all land, leasehold interests, buildings, machinery, equipment, hardware, and inventory of the Borrower, whether separately or together with other such assets.

“*Operating Expenses*” means all expenses incurred in the operation and maintenance of the Project, including, but not limited to, Administrative Costs, the Borrower’s and Company’s administrative expenses, insurance premiums, taxes, utilities and routine maintenance for any period, expenses paid or budgeted to be paid in connection with the operation and maintenance of the Project (determined on a cash basis) during such period, including payments into operational reserves for liabilities and into a repair and replacement fund in connection with Bonds, but excluding (i) Debt Service Requirements, (ii) any loss or

expense resulting from or related to any extraordinary and nonrecurring items, and (iii) any losses or expenses related to the sale of assets, the proceeds of which sale are not included in Revenues.

“*Ordinary Services of the Trustee*” and “*Ordinary Expenses of the Trustee*” mean those reasonable services rendered and those reasonable expenses incurred by the Trustee in the performance of its duties under the Indenture of the type ordinarily performed by corporate trustees under like indentures, including reasonable counsel fees.

“*Outstanding Bonds*” or “*Bonds outstanding*” or “*Outstanding*” means the amount of principal of the Bonds which has not at the time been paid exclusive of (a) Bonds in lieu of which others have been authenticated pursuant to the Indenture, (b) Bonds deemed paid by cancellation under Section 206 of the Indenture, (c) principal of any Bond which has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required in the Indenture has been made and (d) for purposes of any direction, consent or waiver under the Indenture, Bonds deemed not to be outstanding, pursuant to the Indenture.

“*Paying Agent*” means the Trustee in its capacity as paying agent for the Bonds or any other Person appointed as a Paying Agent under the Indenture.

“*Permitted Encumbrances*” shall have the meaning set forth in the Security Deed.

“*Permitted Investments*” means the investments permitted by the “Local Government Investment Pool Act,” O.C.G.A. Section 36-83-1 *et seq.* (being obligations of the State or of other states; obligations issued by the United States government; obligations fully insured or guaranteed by the United States government or a United States government agency; obligations of any corporation of the United States government; prime bankers’ acceptances; the local government investment pool established by O.C.G.A. Section 36-83-8; repurchase agreements; and obligations of political subdivision of this State), and by O.C.G.A. Section 36-82-7, being:

- (1) Bonds or obligations of counties, municipal corporations, and political subdivisions of the State;
- (2) Bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (3) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (4) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such 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;
- (5) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of

the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. 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, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in paragraph (2) hereof, obligations of the agencies and instrumentalities of the United States government included in paragraph (3) hereof, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (4) hereof;

(6) 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 which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) The portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (2) and (3) hereof and repurchase agreements fully collateralized by any such obligations;

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

(C) Such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) 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 and located within the State; and

(7) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, or with any other financial institution, including insurance companies, rated not lower than the third highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, including insurers, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

“*Person*” means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

“*Plans and Specifications*” means the plans and specifications for the Project prepared by the Architect.

“*Premises*” means the real estate described in Exhibit A attached to the Security Deed, which by this reference thereto, is incorporated herein.

“*Program Manager*” means Jones Lang LaSalle Americas, Inc.

“*Project*” means an approximately 462-bed student housing facility to be constructed, furnished and equipped on the campus of and for the use by the University.

“*Project Fund*” means the Project Fund created in Section 505 of the Indenture.

“*Property, Plant and Equipment*” means all property of the Borrower that constitutes property, plant, and equipment under GAAP.

“*Rate Covenant*” means the Rate Covenant contained in Section 8.08 hereof.

“*Rating Agency*” means Moody’s, S&P, or any other nationally recognized rating agency that is rating the Bonds.

“*Rebate Fund*” means the Rebate Fund created in Section 504 of the Indenture.

“*Registered Owner*” means, as of any time, the registered owner of any Bond as shown in the register kept by the Trustee as bond registrar.

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

“*Related Person*” means any member of the same Controlled Group as the Issuer or the Borrower.

“*Rental Agreement*” means the Rental Agreement, dated as of April 1, 2025, between the Borrower and the Board of Regents pursuant to which the Project has been leased by the Board of Regents from the Borrower and any rental agreement with the Board of Regents in connection with any Additions or Alterations, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

“*Repair, Replacement and Maintenance Fund*” means the Repair, Replacement, and Maintenance Fund created in Section 503 of the Indenture.

“*Repair, Replacement and Maintenance Requirement*” means the amounts shown on Exhibit B to the Rental Agreement.

“*Requesting Beneficial Owner*” shall mean on any date, any Beneficial Owner who owns not less than \$1,000,000 of Bonds has filed with the Trustee a request to receive information with respect to the Project and the Bonds.

“*Revenue Available for Debt Service*” means, for any specified period of time, the excess of Revenues over Operating Expenses during such period, but excluding from Operating Expenses (i) the interest on Long-Term Indebtedness, (ii) the amortization of financing charges attributable to Long-Term

Indebtedness, (iii) depreciation and other non-cash charges attributable to the disposition of capital assets or to the extinguishment of debt (iv) expenses incurred pursuant to an escrow trust agreement which is required to be used to defease the lien of Bonds, and (v) operating expenses paid from funds other than rents received under the Rental Agreements.

“*Revenues*” means the rents received by the Borrower from the Rental Agreements.

“*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Borrower Representative by notice to the Issuer and the Trustee.

“*Security Deed*” means the Leasehold Deed to Secure Debt, Assignment of Rents and Leases, Security Agreement, and Fixture Filing, dated as of April 1, 2025, executed and delivered by the Borrower to and in favor of Trustee.

“*Series 2025 Bonds*” means the revenue bonds designated “Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025,” to be dated their Closing Date, in the aggregate principal amount of \$[_____], to be issued pursuant to the Indenture.

“*Series 2025 Note*” means the promissory note of the Borrower, dated the date of issuance of the Series 2025 Bonds, in the original principal amount of \$[_____], payable to the Issuer and assigned by the Issuer to the Trustee, given to evidence the obligation to pay Basic Loan Payments to repay the Loan.

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

“*Special Record Date*” means the date fixed by the Trustee for the payment of any Defaulted Interest pursuant to Section 208 of the Indenture.

“*State*” means the State of Georgia.

“*Subordinated Indebtedness*” means all obligations incurred or assumed by the Borrower, the payment of which is by its terms specifically subordinated to Loan Payments and the security for which is subordinate to the security for the Bonds.

“*Tax Agreement*” means the Tax Regulatory Agreement and No-Arbitrage Certificate, dated the Closing Date of the Series 2025 Bonds, among the Issuer, the Borrower, the Company, and the Trustee, relating to the Series 2025 Bonds and any other Tax Regulatory Agreement and No-Arbitrage Certificate related to additional Tax-Exempt Bonds.

“*Tax-Exempt Bonds*” means the Series 2025 Bonds and any other Bonds that as originally issued were the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from the gross income of the Beneficial Owners thereof for federal income tax purposes.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof which is (i) an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal

income tax laws from time to time in effect, or (ii) a “governmental unit” as that term is used in Sections 103 and 145 of the Code.

“*Title Policy*” means title insurance in the form of an ALTA mortgagee’s title policy issued by a title insurance company acceptable to the Trustee in the face amount of at least \$[_____] insuring that the Trustee has a valid lien on the Borrower’s interest in the Project subject only to liens permitted by the Security Deed.

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

“*Trustee*” means the Trustee and/or the co-trustee at the time serving as such under the Indenture. Wilmington Trust, National Association, Iselin, New Jersey, is the initial Trustee.

“*Unassigned Rights*” means all of the rights of the Issuer to receive reimbursements and payments pursuant to Sections 5.02 and 10.04 hereof, to receive notices pursuant to Section 12.01 hereof, and to be held harmless and indemnified pursuant to Sections 3.07 and 8.06 hereof.

“*Underwriter*” means, collectively, Raymond James & Associates, Inc. and its successors and assigns.

“*University*” means Kennesaw State University, a unit of the University System of Georgia.

“*Variable Rate Long-Term Indebtedness*” means any portion of Long-Term Indebtedness the interest rate to maturity on which is not established at the time of incurrence at a fixed interest rate.

Section 1.02. Construction of Certain Terms.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) “This Agreement” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more loan agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

Section 1.03. Table of Contents; Titles and Headings.

The table of contents, the titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.04. Contents of Certificates or Opinions.

Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Agreement shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or an officer of the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of Independent Counsel or an Accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by Independent Counsel or an Accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or an officer of the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or an officer of the Borrower or any third party on whom Independent Counsel or an Accountant could reasonably rely unless such Independent Counsel or such Accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or officer of the Borrower, or the same Independent Counsel or Accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Agreement, but different officers, Independent Counsel, or Accountants may certify or opine to different matters, respectively.

Section 1.05. Authorized Issuer Representative and Authorized Borrower Representative and Successors.

The Issuer and the Borrower, respectively, shall designate, in the manner prescribed in Section 1.01 hereof, an Authorized Issuer Representative and an Authorized Borrower Representative. Should any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

[End of Article I]

ARTICLE IIREPRESENTATIONS AND UNDERTAKINGS

Section 2.01. Representations by the Issuer.

The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) *Organization and Authority.* The Issuer is a public body corporate and politic created and validly existing under the laws of the State (including the provisions of the Act). The Issuer has all requisite power and authority under the Act to (i) issue the Series 2025 Bonds, (ii) lend the proceeds of the Series 2025 Bonds to the Borrower, and (iii) enter into, perform its obligations under, and exercise its rights under the Bond Documents. The Act authorizes the Issuer to issue its bonds for the purpose of providing funds for any industrial, commercial, business, office, parking, public, or other use, provided that a majority of the members of the Issuer determines, by a duly adopted resolution, that the project and such use thereof would further the public purpose of this chapter, and the members of the Issuer have made such a determination with respect to the Project. The Revenue Bond Law, O.C.G.A. Section 36-82-60 *et seq.*, as amended, authorizes the Issuer to issue its revenue bonds to finance dormitories.

(b) *Pending Litigation.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Series 2025 Bonds, the Bond Documents, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Issuer aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings.

(c) *Issue, Sale, and Other Transactions Are Legal and Authorized.* The issue and sale of the Series 2025 Bonds and the execution and delivery by the Issuer of the Bond Documents and the compliance by the Issuer with all of the provisions of each thereof and of the Series 2025 Bonds (i) are within the purposes, powers, and authority of the Issuer, (ii) have been done in full compliance with the provisions of the Act and have been approved by the Governing Body of the Issuer and are legal and will not conflict with or constitute on the part of the Issuer a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Issuer under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Issuer is a party or by which the Issuer or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties, and (iii) have been duly authorized by all necessary corporate action on the part of the Issuer.

(d) *Governmental Consents.* Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Series 2025 Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Bond Documents, the endorsement of the Series 2025 Note to the order of the Trustee, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Series 2025 Bonds, except as shall have been obtained or made and as are in full force and effect.

(e) *No Defaults.* To the knowledge of the Issuer, no event has occurred and no condition exists which would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Issuer, the Issuer is not in default or

violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) *No Prior Pledge.* Neither the Project, the Bond Documents, nor any payments to be received by the Issuer under the Bond Documents has been mortgaged, pledged, or hypothecated in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as security for the payment of the Bonds.

(g) *Authorized Project.* The Project constitutes a “project” within the meaning of the Act and the Georgia Revenue Bond Law.

(h) *Compliance with Conditions Precedent to the Issuance of the Series 2025 Bonds.* All acts, conditions, and things required to exist, happen, and be performed by the Issuer precedent to and in the execution and delivery by the Issuer of the Series 2025 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Series 2025 Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation.

(i) *Tax Compliance.* The Issuer hereby covenants and agrees to comply or use its reasonable best efforts to cause the Borrower to comply with all requirements of the Code, in each case at the expense of the Borrower, compliance with which on its part subsequent to the issuance of the Tax-Exempt Bonds is necessary for the interest on the Tax-Exempt Bonds to be, and to remain, excluded from the gross income of the Beneficial Owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.02. Representations by the Borrower.

The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) *Organization and Power.* The Borrower is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Georgia, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted. The sole member of the Borrower is the Company.

(b) *Pending Litigation and Taxes.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Borrower, after making due inquiry with respect thereto, threatened against or affecting the Borrower in any court or by or before any governmental authority or arbitration board or tribunal, which involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Borrower Documents or the Bond Documents or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Borrower aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings. The Borrower is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Borrower has been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) *Agreements Are Authorized.* The execution and delivery by the Borrower of the Borrower Documents, the consummation of the transactions herein and therein contemplated, and the fulfillment of or the compliance with all of the provisions hereof and thereof (i) are within the power, legal right, and authority of the Borrower, (ii) do not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Borrower under the provisions of, any charter instrument, bylaw, operating agreement, indenture, mortgage, deed of trust, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of the Borrower. The Borrower Documents are the valid, legal, binding, and enforceable obligations of the Borrower. The officer of the Borrower executing the Borrower Documents is duly and properly in office and is fully authorized and empowered to execute the same for and on behalf of the Borrower.

(d) *Governmental Consents.* The Borrower nor any of its businesses or properties, nor any relationship between the Borrower and any other Person, nor any circumstance in connection with the execution, delivery, and performance by the Borrower of its obligations under the Borrower Documents, or offer, issue, sale, or delivery by the Issuer of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of the Borrower Documents, the consummation of any transaction therein contemplated, or offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the Borrower is legally required to obtain the same.

(e) *No Defaults.* No event has occurred and no condition exists that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) *Compliance with Law.* To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject, and the Borrower has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, and conditions (financial or otherwise) of the Borrower.

(g) *Restrictions on the Borrower.* The Borrower is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its businesses, properties, assets, operations, or condition (financial or otherwise). The Borrower is not a party to any contract or agreement that restricts the right or ability of the Borrower to incur indebtedness for borrowed money.

(h) *No Prior Pledge.* The property to be encumbered by the Security Deed has not been mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been the subject of a grant of a security interest by the Borrower other than as provided in the Security Deed as security for its obligations under this Agreement.

(i) *Tax-Exempt Organization.* As of the date of this Agreement, (i) the Company is a Tax-Exempt Organization, (ii) the Company has received a determination letter from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization, (iii) the Company is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax-Exempt Organization has not been adversely modified, limited, or revoked, and (v) the facts and circumstances which formed the basis for the status of the Company, as represented to the Internal Revenue Service in the Company's application for a determination letter, either substantially exist for the Company or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code. The Borrower is a "disregarded entity" for federal income tax purposes and the Company will be deemed the owner of the Project for federal income tax purposes.

(j) *Disclosure.* The representations of the Borrower contained in this Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower to the Issuer or Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Issuer or Underwriter in writing that materially and adversely affects or in the future may materially and adversely affect the ownership or operation of the Project or the properties, business, operations, prospects, profits, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by the Bond Documents which has not been set forth in the official statements relating to the Bonds or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Borrower prior to the date of delivery of said official statements in connection with the transactions contemplated hereby.

(k) *Statutory Liens.* There are no mechanics' or materialmen's liens or other statutory liens on the Project, and no excavation or work of any character, kind, or description has been or will be commenced nor any material of any description for work on the Project delivered on or near the Premises prior to the recording of the Security Deed and the perfection of the security interest created thereby, except as the Trustee shall be advised in writing, and if the Trustee is so advised in writing of any work or deliveries, the Borrower will provide the Trustee with waivers of all liens with respect to such work or deliveries in such form as may be satisfactory to the Trustee.

(l) *Compliance.* The Project complies or will comply with all applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Project.

(m) *Condemnation.* No condemnation or eminent domain proceeding has been commenced and is currently pending or, to the knowledge of the Borrower, threatened against the Project.

(n) *Utilities.* The Borrower warrants that all utility services and facilities necessary for the operation of the Project for its intended purposes are available at the Premises.

(o) *Tax Agreement.* The representations, warranties, and covenants of the Borrower set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

(p) *No Pension Plans.* The Borrower does not maintain and have not maintained and are not a party to and have not been a party to any employee pension or benefit plan.

[End of Article II]

ARTICLE III
LOAN TO THE BORROWER; SECURITY; TITLE

Section 3.01. The Loan and the Series 2025 Note.

(a) The Issuer hereby agrees to lend to the Borrower, and the Borrower hereby agrees to borrow from the Issuer, the proceeds of the sale of the Series 2025 Bonds for the purposes of paying the Costs of the Project, funding capitalized interest, and paying all or a portion of Issuance Costs in accordance with the terms and conditions of this Agreement and the Indenture. The disbursement and application of the proceeds of the sale of the Series 2025 Bonds, net of underwriter's discount as provided in Article VI of the Indenture shall constitute the loan of such proceeds from the Issuer to the Borrower. The Borrower hereby agrees to repay the Loan as provided in Section 5.02 hereof.

(b) The Borrower's obligation to repay the Loan, together with premium, if any, and interest thereon, which is more fully described in Section 5.02 hereof under the caption "Basic Loan Payments," is evidenced by the Series 2025 Note, which the Issuer will endorse to the order of the Trustee.

Section 3.02. Security for Payments Under this Agreement; Recording and Filing.

As security for the payments required to be made to the Issuer under this Agreement, the Borrower shall, prior to or contemporaneously with the execution and delivery of this Agreement, execute and deliver the Series 2025 Note and the Issuer will endorse the Series 2025 Note to the order of the Trustee. The Borrower hereby unconditionally and irrevocably agrees that it shall pay all amounts becoming due and payable on all Notes. As security for the Series 2025 Note and its obligations under this Loan Agreement, the Borrower will execute and deliver the Security Deed.

The Borrower shall cause the Security Deed to be recorded in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Trustee created by the Security Deed in the accounts, chattel paper, documents, instruments, and general intangibles arising in any manner from the Borrower's operation of the Project and in the Equipment and the security interest of the Trustee created by the Indenture in the Issuer's right, title, and interest in this Agreement, the Series 2025 Note, and the revenues and amounts to be received and held hereunder and thereunder, shall be perfected by the Borrower causing to be filed such financing statements or instruments effective as financing statements which fully comply with the State's Uniform Commercial Code - Secured Transactions or by the taking of possession of appropriate collateral.

Section 3.03. Security for Payments Under the Bonds.

Contemporaneously with the issuance of the Series 2025 Bonds, as security for the payment of the Series 2025 Bonds, the Issuer shall execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Agreement (except the Unassigned Rights), and the Series 2025 Note, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, shall be assigned and shall be the subject of a grant of a security interest to the Trustee and shall be pledged as security for, among other things, the payment of the Bonds. The Borrower hereby consent to such assignment and grant of a security interest and hereby agrees that its obligations to make all payments under this Agreement shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Issuer. The Trustee shall have all rights and remedies herein accorded to the Issuer (except for Unassigned Rights), and any reference herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Beneficial Owners are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower herein contained.

Section 3.04. Warranty of Title.

The Borrower warrants that (a) it has acquired good and marketable leasehold title to the Premises owned by it, (b) the Borrower will be the legal owner of all Equipment and the Buildings on such Premises, and (c) the Project will be free from all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.05. Title Insurance.

The Borrower shall, prior to or simultaneously with the issuance of the Series 2025 Bonds, furnish the Title Policy. The Borrower shall furnish within the time limit specified in any binder an original of the Title Policy. The mortgagee's title policy shall insure that the Trustee has a valid lien on the Borrower's leasehold interest in the real property described in Exhibit "A" to the Security Deed subject only to Permitted Encumbrances. There shall be deleted from the Title Policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the Premises, for mechanics' and materialmen's liens, or for rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policy shall contain the standard zoning endorsement. In lieu of the standard zoning endorsement the Borrower may provide an opinion of Independent Counsel to the effect that the Project is properly zoned or evidence of proper zoning from appropriate government officials. Any Net Proceeds payable either to the Issuer or the Borrower under the Title Policy shall be subject to the lien of the Indenture, shall be paid to the Trustee, and held by the Trustee in a separate account, and shall, at the Borrower's written direction, be either (a) used to acquire or construct replacement or substitute property within the corporate limits of Cobb County, Georgia for that to which title has been lost, or (b) used to redeem Bonds pursuant to Section 304(a) of the Indenture. Any proceeds of the Title Policy remaining after the Bonds are no longer Outstanding shall be paid to the Borrower.

Section 3.06. Borrower's Covenants Regarding Title.

The Borrower agrees to protect, preserve, and defend its leasehold interest in the Project, to appear and defend said interest in any action or proceeding affecting or purporting to affect the Project, the lien of the Security Deed thereon, or any of the rights of the Trustee thereunder, and to pay on demand all costs and expenses reasonably incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, as defined in Section 10.04 hereof, whether any such action or proceeding progresses to judgment and whether brought by or against the Trustee. The Trustee shall be reimbursed for any such costs and expenses in accordance with the provisions of Section 10.04 hereof. If the Borrower does not take the action contemplated herein, the Trustee or Issuer may, but shall not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums shall be an advance payable upon demand.

Section 3.07. Environmental Condition of the Project and Indemnification.

The Borrower warrants and represents to the Issuer and the Trustee that: (a) while the Issuer or the Trustee has any interest in or lien on the Project, the Project is and at all times hereinafter, will be in full compliance with all Environmental Laws, as hereinafter defined, and (b) (i) as of the date hereof there are no Hazardous Materials, as hereinafter defined, substances, wastes, or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in or under the Project or used in connection therewith, or (ii) the Borrower has fully disclosed to the Issuer, the Underwriter and the Trustee in writing the existence, extent and nature of any such Hazardous Materials, substances, wastes or other environmentally regulated substances, which the Borrower is legally authorized and empowered to maintain on, in, or under the Project or use in connection therewith, and the Borrower

has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. The Borrower further warrants and represents that it will notify promptly the Trustee in writing of any change in the nature or extent of any Hazardous Materials, substances or wastes maintained on, in, or under the Project or used in connection therewith, and will transmit to the Trustee copies of any citations, orders, notices or other material governmental or other communication received with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Project. The Borrower warrants and represents that all work on the Project and activities of contractors, sub-contractors, consultants, or any other agent of the Borrower will also be in full compliance with all Environmental Laws, and further warrants and represents that neither the Borrower nor its agents will engage in any management of Hazardous Materials or other environmentally regulated substances at the Project.

The Borrower shall indemnify and hold the Issuer and the Trustee harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants', or experts' fees and expenses of every kind and nature) suffered by or asserted against either party as a direct or indirect result of any warranty or representation made by the Borrower in the preceding paragraph being false or untrue in any respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any Hazardous Materials, substances, wastes or other environmentally regulated substances. Without limiting the generality of the foregoing, the foregoing covenant of indemnification shall inure to the benefit of the Issuer and the Trustee in the event the Issuer or the Trustee become the successor-in-interest to the Borrower with respect to the Premises and shall inure to the benefit of any purchaser of the Premises at foreclosure or any subsequent purchaser of the Premises from the Issuer or the Trustee.

The Borrower's obligations hereunder to the Issuer and the Trustee shall not be limited to any extent by the term of the Bonds, and, as to any act or occurrence prior to payment in full and satisfaction of the Bonds which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of the Bonds and this Agreement or foreclosure under the Security Deed, or delivery of a deed-in-lieu of foreclosure.

Section 3.08. Contest of Liens.

The Borrower is permitted to contest any liens that are not Permitted Encumbrances. In order to contest any such liens, the Borrower shall furnish the Trustee with a bond or cash deposit equal to at least the amount so contested or with an opinion of Independent Counsel reasonably acceptable to the Trustee stating that by nonpayment of any such items the liens of the Security Deed will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to the Borrower if the lien is successfully contested. If the Borrower is unable or otherwise fails to obtain such a bond or provide such a cash deposit or such an opinion of Independent Counsel, the Borrower shall cause to be satisfied and discharged promptly all such items by payment thereof. If the Borrower is unable or otherwise fails to obtain such a bond or cash deposit or an opinion of Independent Counsel, or to satisfy and discharge the lien, the Issuer or the Trustee may, but shall be under no obligation to, satisfy and discharge the lien by payment thereof or provide security which causes the claimant to release the lien against the Project, and all amounts so paid by the Issuer or the Trustee shall be treated as an advance to the Borrower. The Borrower agrees to pay such advance on demand and payment of which shall be secured hereunder and by the Security Deed. Any remedy herein vested in the Issuer or the Trustee for the collection of loan payments shall also be available to the Issuer and the Trustee for the collection of all such amounts so advanced. The Trustee shall be under no obligation to make any such payment unless it is requested to do so by the Beneficial Owners of at least twenty-five percent (25%) of the principal amount of all Bonds

then Outstanding, and is provided with adequate funds paid in cash to the Trustee (from a source or sources approved by the Trustee) for the purpose of such payment.

[End of Article III]

**ARTICLE IV
ISSUANCE OF THE SERIES 2025 BONDS**

Section 4.01. Agreement to Issue the Series 2025 Bonds; Application of Proceeds.

In order to provide funds to pay Costs of the Project and pay Issuance Costs, the Issuer agrees that it shall issue, sell, and deliver to the Underwriter the Series 2025 Bonds in the aggregate principal amount of \$[_____] and shall thereupon deposit the proceeds of the sale of the Series 2025 Bonds in accordance with the provisions of Article VI of the Indenture.

Section 4.02. Acquisition, Construction, Furnishing, and Equipping of the Project.

Following the issuance and sale of the Series 2025 Bonds, the Borrower will acquire, construct, furnish, and equip the Project. The Issuer hereby authorizes the Borrower to use the proceeds of the Series 2025 Bonds deposited in the Project Fund to pay the Costs of the Project.

The Borrower shall not permit any mechanics' or materialmen's or other liens to be perfected or remain against any improvements for labor or materials furnished in connection with any construction and installation of any improvements relating to the Project, provided that it shall not constitute an Event of Default hereunder upon such lien being filed, if the Borrower shall notify promptly the Trustee of any such liens, and the Borrower in good faith contests promptly such liens in accordance with Section 3.08 hereof; and in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

The Borrower agrees that it will, at all times during the construction of the Project, maintain or cause the General Contractor to maintain in full force and effect Builder's Risk - Completed Value Form insurance insuring the Project against fire, lightning, and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Project. Such policy or policies of insurance shall name the Issuer, the Borrower, and the Trustee as insureds, as their respective interests may appear, and shall name the Trustee as mortgagee under the Standard New York Mortgagee Endorsement providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee thereunder. All Net Proceeds received under such policy or policies by the Borrower or Issuer shall be paid over to the Trustee and deposited into the Project Fund to be applied to the restoration and/or completion of the Project in accordance with the provisions of Section 4.03 hereof. In addition, the Borrower shall cause General Contractor at all times during the construction of the Project to maintain general liability insurance, and the Borrower shall cause General Contractor to maintain worker's compensation insurance as required by law. Said insurance policy or policies shall contain a provision that such insurance may not be canceled by the issuer thereof without at least thirty (30) days' advance written notice to the Issuer, the Borrower, and the Trustee. All such policies or copies thereof or certificates that such insurance is in full force and effect shall be delivered to the Trustee at or prior to delivery of the Bonds.

The Borrower further agrees that the Construction Contract shall require General Contractor thereunder, at or prior to the issuance and delivery of the Series 2025 Bonds, to deliver to the Trustee separate performance and labor and material payment bonds with respect to the Construction Contract, and in the full amount of the Construction Contract, made by the contractor thereunder as the principal and a surety company, or companies, rated "A-" or higher by A. M. Best & Company, Inc. and listed on the current Department of Treasury Circular 570, as most recently published in the Federal Register, as holding a certificate of authority as an acceptable surety on federal bonds, and legally doing business in the State. Said bonds shall name the Borrower and the Trustee as obligees, and all Net Proceeds received under said bonds shall become a part of and be deposited in the Project Fund, or if received after the Completion Date shall be used to pay any obligation then owed by the Borrower under this Loan Agreement, and if any Net Proceeds remain, shall be paid to the Borrower. Any amounts

recovered by way of penalties or damages, whether liquidated or actual, for delays in completion by General Contractor or a contractor shall be deposited directly in the Bond Fund.

The Borrower covenants to cause the Project to be constructed in accordance with the Plans and Specifications and warrants that the construction of the Project in accordance with the Plans and Specifications will, when supplemented by the Equipment, result in a facility suitable for use by the Borrower as a student housing facility and related facilities, and that all real and personal property provided for therein is necessary or appropriate in connection with the Project. The Borrower covenants to describe in reasonable detail the changes in or additions to the Project and stating that the changes in or additions to the Project (a) will not have the effect of disqualifying the Project as a project that may be financed under the Act, (b) will be made or performed subject to and in accordance with all applicable provisions of the Borrower Documents, (c) will not materially and adversely affect the interest of the Beneficial Owners, and (d) that sufficient funds are available in the Project Fund to pay any additional Cost of the Project resulting from such changes in or additions to the Project or that the Borrower is depositing sufficient funds in the Project Fund.

Section 4.03. Project Fund.

The Issuer shall, in the Indenture, authorize and direct the Trustee to use the moneys in the Project Fund to pay Costs of the Project. All proceeds of the Series 2025 Bonds remaining in the Project Fund on the Completion Date shall be used as provided in Section 505 of the Indenture.

Payment from the Project Fund shall be made by the Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Borrower, to the payee shown on the disbursement request, upon receipt by the Trustee of an application for payment in compliance with the requirements of this Section and substantially in form of Exhibit B attached hereto, and the Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Borrower hereby covenants and agrees to indemnify and save harmless the Issuer and the Trustee and their respective officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment. The indemnity contained in this Section 4.03 shall not apply to any loss or damage attributable to (i) acts of negligence or willful misconduct or intentional misconduct of the party seeking indemnification or (ii) breach by the party seeking indemnification of its obligations under the Bond Documents.

The amounts held in the Project Fund shall be disbursed by the Trustee to pay such amounts upon receipt of a requisition, in conformity with Section 505 of the Indenture, executed by an Authorized Borrower Representative setting forth the nature of the amounts to be paid and the name of the payee and certifying that the amounts being paid are Costs of the Project.

Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Agreement, including, but not limited to, the applicable conditions for disbursements set forth in this Section 4.03, the Issuer will cause the Trustee to disburse sums in the Bond Proceeds Account and the Equity Account of the Project Fund, as directed by the Borrower, directly to the Borrower or to the General Contractor, subcontractors, laborers, materialmen, persons furnishing labor, services, or materials used or to be used on or in the construction of the Project (including authorized extras), professional service providers or to any combination of them.

(a) *Request for General Contractor Payment.* The following procedures shall govern the payments made to the General Contractor under the construction contract:

(1) Not more frequently than monthly, the Borrower shall submit to the Trustee an application for payment in the form of a Requisition for Payment for the General Contractor in a form substantially similar to Exhibit B attached hereto. The Requisition for Payment shall

include in reasonably specific detail a description of the requested payment as described in the accompanying Application and Certificate for Payment, as hereinafter defined. Each Requisition for Payment for the General Contractor shall be (i) executed by an Authorized Borrower Representative; (ii) reviewed for accuracy and completeness and executed by the Program Manager; and (iii) shall be accompanied by corresponding American Institute of Architects Document 0702, Application and Certificate for Payment (“Application and Certificate for Payment”), and American Institute of Architects Form 0703, Continuation Sheets, showing by trade the cost of work on the Project and the cost of materials incorporated into the Project or stored on the Premises, all to the date stated in the Application and Certificate for Payment. The Application and Certificate for Payment must be reviewed by and signed by the Architect. The cost break-down included in the Application and Certificate for Payment shall show the percentage of completion of each line item on the Borrower’s detailed estimate of Project costs, as submitted to the Trustee, and the accuracy of the cost break-down shall be certified by the General Contractor and the Architect, or, as to any items not within the scope of a general contract, by the contractors directly responsible to the Borrower for such items.

(2) The completed construction on the Project shall be reviewed (at the time each Application and Certificate for Payment is submitted) by the Architect and the Program Manager, and the Architect shall certify by executing the required AIA forms and the Program Manager shall certify by executing the accompanying Requisition for Payment, each to the best of its knowledge, information and belief, to the Trustee as to (A) the cost of completed construction, (B) the percentage of completion, and (C) compliance with the Plans and Specifications.

(3) The Program Manager or the Architect shall determine the “maximum allowable disbursement” by adding to the cost of completed construction to date (as determined by the Architect or the Program Manager on the basis of its review of the Application and Certificate for Payment and cost break-down) any allowable non-construction disbursements related to the Project.

(4) The disbursement to be made by the Trustee shall be the “maximum allowable disbursement” as determined under clause (3) above less: (A) the percentage of the cost of completed construction specified in the Construction Contract to be retained (hereinafter referred to as the “Retainage”), which shall be certified in writing to the Trustee by the Program Manager or the Architect, and (B) the amounts previously disbursed by the Trustee.

(5) The Retainage (but in no event more than the balance in the Project Fund less amounts retained or set aside to meet costs not then due and payable or which are being contested) under the general Construction Contract, or under any other related construction agreement, shall be disbursed by the Trustee only after (A) such contract shall have been performed to the satisfaction of the Borrower, as evidenced by the Trustee’s receipt of the final Application and Certificate for Payment, (B) the Trustee shall have received a certificate and report or endorsement of the title insurance, (C) the Trustee shall have received from the contractor under such Construction Contract a lien waiver or an affidavit to the effect that such contractor and all of its subcontractors and suppliers of labor and materials have been paid in full (which lien waiver or affidavit must be in form and substance sufficient as a matter of law, in the opinion of Counsel, to dissolve all liens or claims of lien for labor or service performed or rendered and materials supplied or furnished, in connection with the construction and installation of the Project), (D) with respect to the Construction Contract, the Borrower or the General Contractor shall have provided to the Trustee copies of the final certificates of approval from the various governmental authorities having jurisdiction over the construction of the Project, including a final certificate of occupancy or a temporary certificate of occupancy

of any buildings constituting the Project, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated, and (E) with respect to the general Construction Contract, the Borrower shall have delivered to the Trustee the certificate of completion described in Section 4.04 of the Loan Agreement.

(b) *Request for Payments Other Than to the General Contractor.* Not more frequently than monthly, the Borrower shall submit to the Trustee an application for payment in the form of a Requisition for Payment for professional service providers including, but not limited to, the Architect, the Program Manager, surveyor, material testing company, Insurance Consultant, and other service providers identified by the Borrower or Program Manager, or for purchases of material, furnishings, or equipment not included in the Construction Contract in a form substantially similar to Exhibit B attached hereto. The Requisition for Payment shall include in reasonably specific detail a description of the requested payment as described in the accompanying professional service invoices. Each Requisition for Payment for payment other than to the General Contractor shall be (i) executed by an Authorized Borrower Representative; (ii) reviewed for accuracy and completeness and executed by the Program Manager and (iii) shall be accompanied by corresponding invoices describing the services provided or the items purchased in reasonably specific detail.

(c) *Certification, Warranty and Agreement by the Borrower.* The execution of each Application and Certificate for Payment and each Requisition for Payment submitted for disbursements relating to construction costs by the Borrower shall constitute the certification, warranty, and agreement of the Borrower as follows:

(1) that the withdrawal and use of the Project Fund moneys for the purpose intended will not cause any of the representations or certifications contained in the Borrower Documents to be untrue in any material respect;

(2) all moneys previously disbursed have been used solely to pay for costs of the related Project, and the Borrower has written evidence to support this item of warranty,

(3) all bills for labor, materials, and fixtures used, or on hand and to be used, in the construction of the Project have been paid, and no one is asserting a lien with respect thereto, except Permitted Encumbrances and

(4) all signatures of other parties on such Application and Certificate for Payment and Requisition for Payment are genuine.

(d) *Limit on Disbursements.* Notwithstanding any other term or provision set forth herein, the total amount disbursed from the Project Fund at any time shall be limited to an amount that, when deducted from the total amount in such account, leaves a balance to be disbursed that is equal to the cost of completion of the related Project (including all remaining non-construction costs) plus the Retainage, as reflected in a certificate by the Architect or Program Manager furnished to the Trustee pursuant to Section 4.03 hereof.

(e) *Disbursement Payees.* The Trustee shall make all disbursements or any disbursement directly to the Borrower, the contractor under the Construction Contract, the Program Manager or the Architect, or to subcontractors, laborers, materialmen, or persons furnishing labor, services, or materials used or to be used on or in the construction of the Project (including authorized extras) or to any combination of them, as may be directed by the Borrower in writing. Any such disbursement shall be deemed to have been made to the Borrower or for its account.

(f) *General Conditions.* The Trustee shall not make any disbursement from the Project Fund unless each and all of the conditions precedent set forth below shall have been met and complied with in full:

(1) if the disbursement is for “construction costs” pursuant to Section 4.03 hereof, the Borrower shall have furnished to the Trustee evidence that the Builder’s Risk - Completed Value Form insurance required by Section 4.02 hereof is in full force and effect;

(2) at the time of each disbursement the Trustee shall not have or be deemed to have notice of an Event of Default, as provided in Article X of this Agreement;

(3) at the time of each disbursement the Borrower shall deliver to the Trustee a certificate and report of title or endorsement of the title insurer that the Security Deed is a valid first lien on the Premises and improvements thereon, free and clear of all prior Liens and exceptions of title except Permitted Encumbrances;

(4) at the time each disbursement is made pursuant to Section 4.03 hereof as a reimbursement to the Borrower, the Borrower shall deliver to the Trustee evidence satisfactory to the Trustee of contemporaneous or prior payment by the Borrower to the appropriate contractor or supplier under the Construction Contract or other person of the amount then and theretofore approved for payment; and

(5) at the time of each disbursement the Borrower shall deliver to the Trustee a certificate stating whether any portion of such disbursement is for any personal property with respect to which a security interest under the Uniform Commercial Code of the State may be perfected.

(g) *Liens.* Except for Liens constituting Permitted Encumbrances, if any notice of lien shall be filed against the Project or any part thereof or if any interim title examination discloses any intervening Lien, the Trustee may, upon receiving actual knowledge of such Lien, suspend further disbursements from the Project Fund until such Lien shall have been discharged of record or proceedings to contest such Lien pursuant to Section 3.08 hereof shall have been instituted.

(h) *Personal Property.* The Trustee shall not make any disbursements from the Project Fund for any personal property with respect to which a security interest under the Uniform Commercial Code of the State may be perfected unless the Trustee shall have first received the following:

(1) copies of the financing statements and any other document filed in favor of the Trustee covering the personal property with respect to which a disbursement is requested, and

(2) copies of the bills of sale or other documentation evidencing that title to such property has been taken in the name of the Borrower.

Section 4.04. Establishment of Completion Date.

The Completion Date shall be deemed to have occurred when there is delivered to the Trustee (1) the Application and Certificate for Payment in which the Borrower shall certify that the Construction Contract has been performed to the satisfaction of the Borrower, (2) an affidavit from the General Contractor to the effect that such contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, (3) final certificates of occupancy from the various governmental authorities having jurisdiction over the construction and operation of the Project, including a final certificate of occupancy or a temporary certificate of occupancy for the Buildings, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated along with a certificate of the Borrower that the same constitute all the

certificates of approval necessary for operation of the Project, and (4) the Borrower's certificate of substantial completion (the "Certificate of Substantial Completion") listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by an Authorized Borrower Representative and approved by Architect stating that, except for amounts retained by the Trustee for costs of the construction not then due and payable, (i) construction of the Project has been completed substantially in accordance with the Plans and Specifications, (ii) all other facilities necessary in connection with the construction of the Project have been constructed, acquired, and installed substantially in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for, (iii) and all labor, services, materials, and supplies used in such construction have been paid or provided for, (iv) according to the "as built" survey of the Premises or a certificate of the surveyor, the Buildings does not encroach on any other property or violate any setback or sideline requirements applicable to the Premises and (v) an endorsement to the Title Policy has removed the pending disbursements clause and updating the coverage date. Notwithstanding the foregoing, the Certificate of Substantial Completion may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. The Architect shall certify the matters covered by (i) and (ii) above.

Section 4.05. Borrower Required to Pay Costs of the Project If Project Fund Insufficient.

If the moneys in the Project Fund available for payment of the Costs of the Project shall not be sufficient to pay the costs thereof in full, the Borrower agrees to complete the acquisition, construction, equipping, and installation of the Project and to pay all that portion of Costs of the Project as may be 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 which will be paid into the Project Fund and which, under the provisions of this Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower shall pay any portion of the said Costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the Beneficial Owners of any of the Bonds, nor shall it be entitled to any diminution of the loan payments payable under Section 5.02 hereof. The obligation of the Borrower to complete the construction of the Project shall survive any termination of this Agreement.

Section 4.06. Investment of Funds and Accounts.

Subject to Article VII of the Indenture and Section 4.07 hereof, any moneys held as a part of the Bond Fund, the Issuance Cost Fund, the Repair, Replacement, and Maintenance Fund, the Rebate Fund or as reserves in connection with contested liens or any other special trust funds shall be invested or reinvested by the Trustee at the written direction of an Authorized Borrower Representative in such Permitted Investments as may be designated by the Borrower, which designation shall not contain directions contrary to State law. The Trustee shall not be responsible for determining that a directed investment is a Permitted Investment, but may rely on the directions as to the Borrower's determination. The Trustee shall not be liable for any depreciation in the value of any obligations in which moneys of funds or accounts held under the Indenture shall be invested, as aforesaid, or for any loss arising from any investment. The Trustee may make any and all such investments through its own bond or investment department.

The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Bond Fund, the Issuance Cost Fund, the Repair, Replacement, and Maintenance Fund, the Rebate Fund, or the trust account described in the preceding paragraph, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited as provided in Section 702 of the Indenture, and any losses resulting from such investments will be charged to such fund or account.

Section 4.07. Special Investment Covenants.

The Issuer and the Borrower each covenant that it shall not directly or indirectly use or permit the use of any proceeds (as defined in the Code) of any issue or any other funds of the Issuer or the Borrower, or take or omit to take any action, or direct the Trustee to invest any funds held by it, in such manner as will cause any Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or to be “federally guaranteed,” as such term is used and defined in Section 149(b) of the Code. To that end, the Issuer and the Borrower shall comply with all requirements of Section 148 of the Code to the extent applicable to any Tax-Exempt Bonds. If at any time the Issuer or the Borrower is of the opinion that for purposes of this Section 4.04 it is necessary to dispose of any investment or to restrict or limit the yield on any investment held under the Bond Documents or otherwise, the Issuer or the Borrower, as the case may be, shall so instruct the Trustee in writing.

Section 4.08. Purchase of Bonds.

Neither the Borrower nor any Related Person, pursuant to any arrangement, formal or informal, will purchase any of the Tax-Exempt Bonds in a manner inconsistent with paragraph (4) of the definition of “Program investment” in Treasury Regulation Section 1.148-1(b) unless the Borrower or such Related Person delivers a Favorable Opinion of Bond Counsel to the Trustee and the Issuer.

[End of Article IV]

ARTICLE V
AGREEMENT TERM; LOAN PAYMENTS AND OTHER AMOUNTS PAYABLE;
NATURE OF OBLIGATIONS OF BORROWER

Section 5.01. Agreement Term.

This Agreement shall become effective upon its delivery and shall be in full force and effect until the later of (i) midnight, July 15, 2056, subject to the provisions of this Agreement permitting earlier termination (including particularly Article XI hereof), or (ii) if all the Bonds have not been paid or retired (or provision for such payment has not been made as provided in the Indenture), until such date as such payment or provision shall have been made; provided, however, that the covenants and obligations expressed herein to so survive shall survive the termination of this Agreement.

Section 5.02. Loan Payments and Other Amounts Payable.

(a) *Basic Loan Payments:* Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower shall pay to the Trustee for the account of the Issuer as Basic Loan Payments:

(i) on or before July 5, 2025 and on or before the fifth (5th) day of each January and July thereafter, a sum equal to the amount payable on the next succeeding Interest Payment Date, as interest on the Series 2025 Bonds; and

(ii) on or before July 5, 2027 and on or before the fifth (5th) day of each July thereafter, to and including July 5, 2056, a sum equal to the amount required to pay the principal of the Series 2025 Bonds on the next succeeding July 15, whether by maturity or mandatory redemption.

Each payment of Basic Loan Payments under (i) of this Section due on each January 5 and July 5 until the Series 2025 Bonds are fully paid or payment is provided therefor in accordance with the Indenture will in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of interest payable on the Series 2025 Bonds on the following Interest Payment Date. Each payment of Basic Loan Payments under (ii) of this Section due on each July 5 until the Series 2025 Bonds are fully paid or payment is provided therefor in accordance with the Indenture, will in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of principal payable on the Series 2025 Bonds on the next July 15. There shall be a credit against the Basic Loan Payments required to be made pursuant to subparagraph (a) above (and payments shall not be required) for the amounts already on deposit in the Bond Fund and available to pay interest on and principal of the Series 2025 Bonds. If the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments of Basic Loan Payments under the provisions of this Section. There shall also be a credit against remaining Basic Loan Payments for Bonds purchased, redeemed, or canceled, as provided in Article III of the Indenture.

(b) *Additional Loan Payments:* The Borrower agrees to pay as Additional Loan Payments (i) all Administrative Costs and (ii) for deposit in the Repair, Replacement and Maintenance Fund on or before the first (1st) day of each month, the Repair, Replacement and Maintenance Requirement.

Should the Borrower fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid and shall bear interest at the highest rate of interest on the Bonds with respect to which such default has occurred.

Section 5.03. Place of Loan Payments.

The Basic Loan Payments provided for in Section 5.02(a) hereof will be paid in lawful money of the United States of America directly to the Trustee for the account of the Issuer and will be deposited in the Bond Fund. The payments of Additional Loan Payments provided for in Section 5.02(b)(i) hereof will be paid directly to the Person to which the Administrative Costs are owed. The payments of Additional Loan Payments provided for in Section 5.02(b)(ii) hereof will be paid to the Trustee for deposit in the Repair and Replacement Fund.

Section 5.04. Nature of Obligations of Borrower Hereunder.

(a) The Borrower hereby unconditionally and irrevocably agrees to pay all amounts becoming due and payable by it under this Loan Agreement according to the terms hereof. The obligations of the Borrower to make the payments required in Section 5.02 hereof and other sections hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Issuer. The Borrower agrees that it shall not (i) suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.02 hereof, (ii) fail to observe any of its other agreements contained in this Agreement, the Series 2025 Note, or the Security Deed, or (iii) except as provided in Sections 11.01, 11.02, 11.03, and 11.04 hereof, terminate its obligations under this Agreement, the Series 2025 Note, or the Security Agreement for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of such Borrower to occupy or to use the Project as contemplated in this Agreement or otherwise, any change or delay in the time of availability of the Project, any acts or circumstances which may impair or preclude the use of the Project, any defect in the title, design, operation, merchantability, fitness, or condition of the Project or in the suitability of the Project for the Borrower's purposes or needs, failure of consideration, any declaration or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of this Agreement or any of the other Bond Documents, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement.

(b) Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained. If the Issuer fails to perform any such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance so long as such action does not abrogate the Borrower's obligations hereunder. Furthermore, the Issuer hereby grants to the Borrower full authority on behalf of the Issuer to perform any covenant or obligation the nonperformance of which is alleged in any notice received by the Borrower to constitute a default under the Indenture, in the name and stead of the Issuer with full power to do and perform any and all things and acts to the same extent that the Issuer could do and perform such things and acts with power of substitution.

[End of Article V]

ARTICLE VI
COMPLIANCE WITH RENTAL AGREEMENTS

The Borrower covenants and agrees that during the Agreement Term it will comply with all of the provisions of the Rental Agreement. The Borrower shall cause the Rental Agreement to remain in effect as long as any Bonds remain Outstanding.

The Borrower shall make a formal request under the then existing Rental Agreement to amend the existing Rental Agreement or replace it with a new Rental Agreement in order to ensure that the rents payable under the Rental Agreement will be sufficient to make Additional Loan Payments and to enable the Borrower to pay any amounts owed when due and will use its best efforts to ensure that any existing Rental Agreements are so amended or replaced:

The Borrower is aware that it may be required to incur costs to remedy any environmental conditions pursuant to Section 3.07 of this Loan Agreement and the Rental Agreement.

[End of Article VI]

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01. Damage, Destruction, and Condemnation.

The following provision shall govern the use of amounts received by the Borrower as insurance proceeds with respect to any casualty loss or as condemnation awards:

(a) The Borrower shall give prompt notice to the Trustee and the Borrower shall cooperate in order to recover any applicable proceeds with the Borrower having primary responsibility of recovering such proceeds.

(b) The Borrower shall (i) repair, rebuild, restore, replace, and re-equip promptly the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction or taking under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the value or the character of the Project and (ii) apply for such purpose so much as may be necessary of any Net Proceeds of insurance or condemnation awards resulting from such recovery. If the Project shall have been damaged or destroyed by fire or other casualty to such extent that, or the taking results, in the opinion of a Consulting Architect expressed in a certificate filed with the Trustee, (x) the Project not being reasonably capable of being restored within a period of six (6) months to substantially the condition thereof immediately preceding such damage or destruction or taking or (y) the Borrower is thereby prevented from carrying on its normal operations at the Project for a period of six (6) consecutive months or (z) the cost of reconstruction or replacement would exceed the total amount of Net Proceeds of insurance carried thereon or condemnation awards by more than \$500,000, in which events the Borrower shall have the option to prepay the Notes relating to such Project. All Net Proceeds of insurance or condemnation awards, which do not exceed \$250,000, shall be paid to the Borrower. If such Net Proceeds of insurance or condemnation awards are in excess of \$250,000, all such insurance proceeds or condemnation awards shall be paid to and held by the Trustee in a separate account, whereupon the Borrower shall proceed promptly, but only after the requirements of subsection (c) of this Section 7.01 are met, to repair, rebuild, restore, replace, and re-equip the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction or such taking with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the nature of the Project, whereupon the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding, or restoration as the work progresses substantially in accordance with the procedures set forth in subsection (g) of this Section 7.01.

(c) Before the Trustee applies any Net Proceeds of insurance to pay the costs of repairing, rebuilding, restoring, replacing, and re-equipping the Project, the Borrower shall furnish to the Trustee (i) a certificate of a Consulting Architect (A) to the effect that the Project can be reasonably restored or replaced within a period of twelve (12) consecutive months to substantially the condition thereof immediately preceding such damage or destruction or taking, and (B) setting forth the estimated cost of the proposed repair, rebuilding, restoration, replacement, or re-equipping of the Project, including an allowance for contingencies, and the estimated date of completion of such repair, rebuilding, restoration, replacement, or re-equipping, and (ii) a certificate of the Borrower to the effect that (A) the amounts on deposit in the Insurance and Condemnation are sufficient to pay for proposed repair, rebuilding, restoration, replacement and re-equipping and (B) all permits, licenses, and other governmental approvals necessary for operation of the Project are in full force and effect. If the Borrower is not able to provide the items required by this subsection (c), the Borrower shall be obligated to prepay the Notes.

(d) The Borrower shall not, by reason of the payment of any costs of repair, rebuilding, restoration, replacement, or re-equipping in excess of Net Proceeds, be entitled to any reimbursement or any abatement or diminution of the payments payable under the Notes.

(e) Any balance of such Net Proceeds of insurance remaining after application pursuant to subsection (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be used to redeem the Notes and any Bonds. If the Notes have been fully paid (or provision for payment thereof has been made in accordance with Article XI hereof), any balance of such Net Proceeds remaining after application pursuant to subsection (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be paid to the Borrower.

(f) within sixty (60) days from the date of receipt of Net Proceeds of insurance or condemnation awards, the Borrower shall direct the Issuer and the Trustee in writing as to which of the ways specified in this Section 7.01 the Borrower elect to have the insurance proceeds or condemnation awards applied.

(g) Each payment shall be made by the Trustee in lawful money of the United States by check or interbank transfer of funds, upon receipt by the Trustee of an application for payment signed by an Authorized Borrower Representative.

Section 7.02. Investment of Net Proceeds.

In Section 704 of the Indenture, the Trustee has agreed to keep certain investment records. Although the Borrower acknowledges that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Borrower hereby agrees that written confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during any month.

[End of Article VII]

**ARTICLE VIII
ADDITIONAL COVENANTS**

Section 8.01. No Warranty of Condition or Suitability by the Issuer.

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS.

Section 8.02. Access to Premises and Records.

The Issuer, the Trustee, the Underwriter, and their duly authorized representatives, agents, experts, engineers, accountants, and representatives, reserve the right, upon reasonable prior notice, to enter the Project at all reasonable times during the Agreement Term for the purpose of (i) examining and inspecting the same, including any reconstruction thereof, (ii) performing such work in and about the Project made necessary by reason of an Event of Default, and (iii) upon an Event of Default, exhibiting the Project to prospective purchasers, lessees, or mortgagees. The Trustee, the Issuer, the Underwriter shall also have the right at all reasonable times to examine the books and records of the Borrower insofar as such books and records relate to the repair and maintenance of the Project or insofar as necessary to ascertain compliance with this Agreement.

Section 8.03. Covenants as to Corporate Existence, No Change in Control; Maintenance of Facilities, Etc.

The Borrower hereby covenants to:

(a) Except as otherwise expressly provided herein, preserve its corporate or other separate legal existence and all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and be qualified to do business in each jurisdiction where its ownership of property or the conduct of its business requires such qualification; provided, however, that nothing herein contained shall be construed to obligate it to retain or preserve any of its rights or licenses or to retain, preserve or keep in effect any of its rights or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(b) At all times while this Agreement is in effect, cause the Company to remain the sole member of the Borrower.

(c) At all times cause its business to be carried on and conducted and the Project to be maintained, preserved and kept in good repair, working order and condition and all necessary and proper repairs, renewals and replacements thereof to be made.

(d) Do all things reasonably necessary to conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States and the several states thereof and duly observe and conform to all valid orders, regulations or requirements of any governmental authority relative to the conduct of its business and the ownership of the Project; provided, however, nothing herein contained shall require it to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof or the applicability thereof to it shall be contested in good faith.

(e) Pay promptly all lawful taxes, governmental charges and assessments at any time levied or assessed upon or against it or the Project; provided, however, that it shall have the right to contest any such taxes, charges or assessments or the collection of any such sums pursuant to Section 3.08 hereof and pending such contest may delay or defer payment thereof.

(f) Pay promptly or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable, other than any such obligations, Indebtedness, demands and claims (exclusive of the Notes and Guarantees issued and Outstanding permitted hereunder) whose validity, amount or collectability is being contested pursuant to Section 3.08 hereof.

(g) At all times comply with all terms, covenants and provisions of any Permitted Liens at such time existing upon the Project or any part thereof or securing any of its Indebtedness.

(h) Procure and maintain all necessary licenses and permits necessary to operate the Project.

(i) So long as all amounts due or to become due on any Bond have not been fully paid to the Registered Owners thereof, to take no action or suffer any action to be taken by others which would result in, or in the Opinion of Bond Counsel could result in, the interest on any Bond issued as a Tax-Exempt Bond becoming subject to federal income taxes.

(j) Keep the Project in a safe condition, keep the Buildings and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, subject to the provisions of Section 8.09 hereof, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and cause the Equipment to be maintained in accordance with the manufacturer's then currently published standard maintenance contract and recommendations.

(k) The Borrower may, also at its own expense, from time to time construct any Additions or Alterations it may deem desirable for its purposes.

Additions or Alterations so constructed by the Borrower shall be on the Premises, shall become a part of the Project, and shall become subject to the lien of the Security Deed. Such Additions or Alterations which cost in excess of \$500,000 shall be made only by contractors who furnish performance and labor and material payment bonds in the full amount of such contracts, made by the contractor thereunder as the principal and a surety company or companies rated "A" or higher by A. M. Best & Company, Inc. Such bonds shall name the Borrower, the Issuer, and the Trustee as obligees, and all Net Proceeds received under such bonds shall be paid over to the Trustee to be applied to the completion of the Additions or Alterations. Such money held by the Trustee shall be invested from time to time, as provided in Section 4.03 hereof.

The Borrower shall execute a conditional assignment directing the architect who has prepared any plans and specifications for any Additions or Alterations to make available to the Trustee a complete set of the plans and specifications, which assignment shall be effective only upon an Event of a Default hereunder by the Borrower. Each construction contract executed by the Borrower for construction of any Additions or Alterations shall contain a provision that, or by separate agreement such contractors shall agree that, upon an Event of Default by the Borrower hereunder, said contracts with the contractors and/or sub-contractors shall be deemed assigned to the Trustee should the Trustee so direct and in which case the Trustee shall be responsible for the carrying out of all the terms and conditions thereof in place of the Borrower in said contracts.

The Borrower further agree that at all times during the construction of Additions or Alterations which cost in excess of \$500,000 it shall maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance to the full insurable value of such Additions or Alterations. The Borrower shall not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any Additions or Alterations so constructed by it, provided that it shall not constitute an Event of Default hereunder upon such lien being

filed, if the Borrower shall notify promptly the Trustee of any such liens, and the Borrower in good faith contest promptly such liens in accordance with Section 3.08 hereof; and in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

The Borrower shall not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower shall have first procured and paid for all requisite municipal and other governmental permits and authorizations. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of Section 8.07 hereof.

Section 8.04. Qualification in the State.

The Borrower warrants that it is and while this Agreement is in effect it (or the surviving, resulting, or transferee entity permitted by Section 8.03 hereof) will continue to be duly qualified to do business in the State.

Section 8.05. Continuing Disclosure Agreement.

The Borrower has delivered the Continuing Disclosure Agreement related to the Series 2025 Bonds. The Borrower agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be an Event of Default.

Section 8.06. Indemnity.

(a) The Borrower shall and agrees to indemnify and save the Issuer, the Trustee, and their respective directors, officers, members, agents, and employees harmless against and from all claims by or on behalf of any Person arising from the conduct or management of or from any work or thing done on the Project and against and from all claims arising from (i) any condition of or operation of the Project, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under any of the Bond Documents, (iii) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees, or licensees, or (iv) any act or negligence of any assignee or lessee of the Borrower or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Borrower. The Borrower shall indemnify and save the Issuer and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04 hereof, and upon notice from the Issuer or the Trustee, the Borrower shall defend them or either of them in any such action or proceeding.

(b) The Borrower agrees that it will indemnify and hold the Trustee and its directors, officers, and employees harmless from any and all liability, cost, or expense incurred without negligence or bad faith in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document believed by it to be valid, genuine, and sufficient.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, and their respective directors, officers, members, agents, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Borrower, or (v) any

other costs, fees, or expenses incurred by the Issuer or the Trustee with respect to the Project or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer or the Trustee should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer and the Trustee against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04 hereof, and upon notice from the Issuer or the Trustee, the Borrower shall defend the Issuer and the Trustee in any such action or proceeding. The indemnity contained in this Section 8.06(c) shall not apply to any loss or damage attributable to (1) acts of negligence or willful misconduct or intentional misconduct of the party seeking indemnification; (2) breach by the party seeking indemnification of its obligations under the Bond Documents; or (3) with respect to the Issuer, liability or claim arising out of or relating to any information furnished by the Issuer and included in the offering statement relating to the Bonds or any failure by the Issuer to disclose information required to make the statements in the offering statement relating to the Issuer not misleading.

(d) A party seeking indemnification under this Section 8.06 shall notify the Borrower in writing promptly of any claim or action brought against such party in which indemnity may be sought against the Borrower under this Section; and such notice shall be given in sufficient time to allow the Borrower to defend such claim or action. However, the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Borrower under this Section, if (i) the party seeking indemnification shall not have had knowledge or notice of such claim or action, or (ii) the Borrower's ability to defend such claim or action shall not thereby be materially impaired. In the event, however, that (x) the party seeking indemnification shall not have notified the Borrower promptly of any such claim or action after such party's receipt of notice thereof, and (y) the Borrower's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the party seeking indemnity, then the Borrower's obligation to so defend and indemnify shall be qualified to the extent (and only to the extent) of such material impairment.

Section 8.07. Insurance.

(a) The Borrower shall maintain, or cause to be maintained, which may include self-insurance programs except for casualty insurance (provided the Borrower may self-insure for workman's compensation insurance), the following types of insurance in such amounts as, in its judgment, are adequate to protect it and its Property, Plant and Equipment and operations: (i) comprehensive general public liability insurance, including blanket contractual liability and automobile insurance including owned or hired automobiles (excluding collision and comprehensive coverage thereon), (ii) fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard coverage and vandalism and malicious mischief endorsements and business interruption insurance, (iii) workers' compensation insurance, and (iv) boiler insurance.

(b) The Borrower shall retain an Insurance Consultant to review the coverages required by paragraph (a) of this Section and the insurance requirements of the Borrower thereunder from time to time (but not less frequently than biennially with respect to risks covered by insurance companies and not less frequently than annually with respect to risks for which the Borrower is self-insured). If the Insurance Consultant makes recommendations for the increase of any coverage required by paragraph (a) of this Section, the Borrower shall increase, or cause to be increased, such coverage in accordance with such recommendations, subject to a good faith determination of the Authorized Borrower Representative that such recommendations, in whole or in part, are in the best interests of the Borrower. Notwithstanding the above provisions, the Borrower shall have the right, without giving rise to an Event of Default solely on such account, (i) to maintain insurance coverage below that most recently recommended by the Insurance Consultant, if the Borrower furnishes to the Trustee a report of the Insurance Consultant to the effect that the insurance so provided affords either the greatest amount of coverage available for the risk being insured against at rates which in the judgment of the Insurance Consultant are reasonable in connection with

reasonable and appropriate risk management, or the greatest amount of coverage necessary by reason of state or federal laws now or hereafter in existence limiting medical and malpractice liability, or (ii) to adopt alternative risk management programs which the Insurance Consultant determines to be reasonable, including, without limitation, to self-insure (other than for items covered under clauses (ii) and (v) in subsection (a) of this Section) in whole or in part individually or in connection with other institutions, to participate in programs of captive insurance companies, to participate with other institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting medical and malpractice liability, or to establish or participate in other alternative risk management programs; all as may be approved by the Insurance Consultant as reasonable and appropriate risk management by the Borrower. If the Borrower shall be self-insured for any coverage required by subsection (a) of this Section, the report of the Insurance Consultant mentioned above shall state whether the anticipated funding of any self-insurance fund is actuarially sound, and, if not, the required funding to produce such result. The Borrower agrees to provide the funding recommended in any such report.

(c) All insurance required by Section 8.07(a) hereof shall be taken out and maintained in generally recognized responsible insurance companies qualified to do business in the State that are rated "A" or higher by A. M. Best & Company, Inc. and are in the A. M. Best & Company, Inc. Financial Size Category IX or higher. All policies of insurance required under this Loan Agreement shall be for the benefit of any the Issuer, the Borrower and the Trustee, as their respective interests may appear and shall be made payable to the Trustee. The policies required by Section 8.07(a)(i), (v), and (vii) hereof shall name the Trustee as mortgagee and loss payee under the Standard New York Mortgage Endorsement providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee under such policies and shall require that all Net Proceeds of insurance if in excess of \$250,000 for loss or damage covered thereby be paid to the Trustee and shall be applied by the Trustee pursuant to Section 7.01 hereof; provided, however, that all claims regardless of amount may be adjusted by the Borrower with the insurers, subject to prior written approval of the Trustee as to any settlement of any claim in excess of \$250,000, which approval shall not be unreasonably withheld. A certificate or certificates of the insurers that such insurance is in force and effect shall be deposited with the Trustee, and prior to the expiration of any such policy the Borrower shall furnish the Trustee with evidence reasonably satisfactory to the Trustee that the policy has been renewed or replaced or is no longer required by this Agreement. In lieu of separate policies, the Borrower may maintain one or more blanket policies of insurance having the coverage required by Section 8.07(a) hereof. Unless such an undertaking is unavailable, all such policies shall provide that the issuer thereof shall give at least thirty (30) days' written notice to the Borrower, the Issuer, and the Trustee before such insurance is modified adversely to the interests of the Issuer or the Trustee or is canceled.

(a) At least once every two years, beginning not later than July 1, 2027, the Borrower shall employ an Insurance Consultant during the term of this Loan Agreement to review all policies of insurance and bonds and provide a written recommendation, if any, for increasing or decreasing any of the insurance or coverages hereinabove required, and shall furnish a copy of such review to the Trustee. If any such review by the Insurance Consultant contains recommendations for increasing any of such insurance or coverages, the Borrower shall increase promptly such insurance or coverages in accordance with the recommendations. Notwithstanding anything in Section 8.07(a) which may be to the contrary, if the Borrower in good faith determines that the insurance requirement of this Agreement is not commercially available at a reasonable cost with reasonable terms, the Borrower may, upon written confirmation from the Rating Agency that such action will not result in a qualification, downgrade or withdrawal of the then current ratings on the Bonds, (i) so certify to the Trustee, (ii) notify the Trustee that the Borrower proposes to obtain from the Insurance Consultant recommendations regarding the types, amounts, and provisions of any such insurance that should be purchased by the Borrower and/or alternate or supplementary programs to provide protection against the types of losses and liabilities covered by such insurance, and (iii) based upon the written recommendations of the Insurance Consultant, purchase an alternative insurance policy or adopt alternative or supplemental risk management programs which the Borrower determines to be reasonable and to not have a material adverse effect upon the Beneficial Owners. Upon the filing by the

Borrower with the Trustee any such written recommendations of the Insurance Consultant, and a copy of such alternative risk management program that has been so purchased or adopted by the Borrower, such alternative insurance or such alternative risk management program shall be substituted for the appropriate requirements of Section 8.07(a).

The original or a copy of each insurance policy or fidelity bond required by this Section 8.07, or a certificate that the same has been issued and currently is in effect, shall be delivered to the Trustee.

The Borrower will provide and continuously maintain, insurance coverages and amounts required by the Rental Agreement.

If there is a conflict with insurance coverages and amounts required by this Section 8.07 and the Rental Agreement, the provision that provides the greater coverage shall control.

Section 8.08. Rate Covenant.

(a) The Borrower covenants to set rates and charges for the Project such that the Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 202[8], will not be less than the 1.00.

(b) Within 120 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 202[8], the Borrower shall file a certificate with the Trustee and the Rating Agency verifying the Debt Service Coverage Ratio with respect to such Fiscal Year, to which certificate copies of the Borrower's audited financial statements shall be attached.

Section 8.09. Sale, Lease or Other Disposition of Operating Assets.

The Borrower covenants that it will not sell, lease, or otherwise dispose of Operating Assets except with respect to Operating Assets other than those pledged under the Security Deed:

- (a) in the ordinary course of business, upon fair and reasonable terms;
- (b) in return for other property of equal or greater value and usefulness; or
- (c) to any Person if prior to the sale, lease, or other disposition there is delivered to the Trustee an Officer's Certificate stating that, in the judgment of the signer, such Operating Assets have, or within the next succeeding twenty-four (24) calendar months are reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Operating Assets.

Section 8.10. Consolidation, Merger, Sale or Conveyance.

The Borrower covenants that it will not merge or consolidate with any other corporation, partnership, joint venture, business trust or other entity which is not the Borrower or lease, sell or convey all or substantially all of its assets to any Person which is not the Borrower unless:

- (a) such consolidation or merger does not cause the Borrower to lose its status as a Tax-Exempt Organization or as a disregarded entity whose sole member is a Tax-Exempt Organization;
- (b) the successor entity agrees to fulfill the obligations of the Borrower under the relevant Financing Document and the Indenture, to the same extent as if such successor entity had been the original borrower under the documents;

- (c) immediately following the consolidation or merger, the Borrower, or the successor will not be in default in the performance of any duties, obligations or covenants under the relevant Financing Document and the Indenture;
- (d) a Favorable Opinion of Bond Counsel with respect to such sale, merger or transfer is provided; and
- (e) such Person is an Affiliate of the Company or the University.

Section 8.11. Permitted Use of Sale Proceeds.

The moneys received pursuant to Section 8.09 or Section 8.10 shall be used as follows:

(a) If the moneys received are the result of a sale to a Tax-Exempt Organization, the moneys may be used for any purpose as approved by the Borrower.

(b) If the moneys received are the result of a sale to any Person that is not a Tax-Exempt Organization, the moneys received shall be deposited, pursuant to a Favorable Opinion of Bond Counsel, into the principal account of the Bond Fund, as defined in the applicable Related Indenture for the payment or prepayment of any Notes and Bonds in accordance with the terms thereof and of any Supplemental Indenture or deposited into an escrow account established by the Trustee which provides for the payment or prepayment of any Notes and Bonds in accordance with the terms thereof and of any Supplemental Indenture and invested pursuant to the terms of an escrow trust agreement approved by Bond Counsel.

Section 8.12. Filing of Financial Statements, Certificate of No Default, Other Information.

The Borrower covenants that it will:

(a) File with the Trustee, with each Requesting Beneficial Owner, and any Rating Agency as shall then be maintaining a rating or ratings on Indebtedness of the Borrower, (i) annually, within one hundred twenty (120) days after the end of each Fiscal Year of the Borrower, the financial statements of the Borrower, including its balance sheet, statement of revenue, expenses, and changes in fund balance (deficit), and statement of cash flow, for the year then ended in comparative form for the preceding Fiscal Year, which financial statements shall be accompanied by an Audit Report, and (ii) quarterly, within forty-five (45) days from the end of each of the first three fiscal quarters of the Borrower, the unaudited balance sheet, statement of revenue, expenses, and changes in fund balance (deficit), and statement of cash flow of the Borrower. The financial statements to be furnished annually pursuant to this Section 8.12(a) shall be accompanied by (x) a certificate of the Borrower as to whether or not, to the best of its knowledge after due inquiry, there existed during, or there exists as of the end of, the Fiscal Year covered by such financial statements any Event of Default or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default and, if the Borrower has knowledge of any such Event of Default or any such other event, specifying the nature thereof and what action the Borrower is taking or proposes to take with respect thereto, and (y) a certificate of the Certified Public Accountant reporting on the financial statements of the Borrower or a schedule included in such financial statements stating the Debt Service Coverage Ratio for the Fiscal Year.

(b) If an Event of Default shall have occurred and be continuing, (i) file with the Trustee such other financial statements and information concerning its operations and financial affairs (or of any consolidated or combined group of companies, including the Borrower and its consolidated or combined Affiliates) as the Trustee may from time to time reasonably request, excluding specifically donor records, student records and personnel records, and (ii) provide access to the Project for the purpose of inspection by the Trustee during regular business hours or at such other times as the Trustee may reasonably request.

(c) Within forty-five (45) days of the receipt of a written request to the Borrower, from the Trustee or any Requesting Beneficial Owner, such other information as the Trustee or such Requesting Beneficial Owner may reasonably request from time to time.

Section 8.13. Release of Portions of Premises and Subordination; Granting of Easements.

Subject to the provisions of Section 11.04 hereof, the Borrower reserves the right at any time and from time to time to (i) effect the release and removal from the Security Deed of any part (or interest in such part) of the Premises with respect to which the Borrower proposes to convey title to a public utility or public body in order that utility services or public services may be provided to the Project, or to effect the subordination of the lien of the Security Deed to rights granted to a public utility or public body in order that utility services or public services may be provided to the Project, (ii) grant easements, licenses, rights of way (including the dedication of public highways), and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Security Deed, or (iii) release existing easements, licenses, rights of way, and other rights or privileges with or without consideration; provided, that if at the time any such release, removal, or grant is made any of the Bonds are Outstanding and unpaid, the Borrower shall deposit with the Trustee the following:

(a) a copy of the said amendment as executed,

(b) a resolution of the Governing Body of the Borrower (i) giving an adequate legal description of that portion of the Premises to be released or subordinated, (ii) stating the purpose for which the Borrower desires the release or subordination, (iii) requesting such release or subordination, and (iv) approving an appropriate amendment to the Security Deed,

(c) a certificate of an Authorized Borrower Representative to the effect that the Borrower is not in default under any of the provisions of this Agreement and that neither the Buildings nor any other improvements are located on a portion of the Premises with respect to which the release or subordination is to be granted, accompanied by a plat of survey of the Premises certified by a registered surveyor of the State depicting (i) the boundaries of the portion of the Premises with respect to which the release or subordination is to be granted, (ii) all improvements located on the property surveyed and the relation of the improvements by distances to the boundaries of the portion of such property with respect to which the release or subordination is to be granted, and (iii) all easements and rights of way with recording data and instruments establishing the same,

(d) a copy of the instrument conveying the title to or subordinating the lien of the Security Deed in favor of a public utility or public body, and

(e) a certificate of an architect, dated not more than sixty (60) days prior to the date of the release or subordination and stating that, in the opinion of the person signing such certificate, (i) the portion of the Premises so proposed to be released or with respect to which the subordination is proposed or with respect to which an easement, license or right of way is proposed to be granted is necessary or desirable in order to obtain utility services or public services to benefit the Project and (ii) the release or subordination so proposed to be made will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom.

If such release or subordination relates to a part of the Premises on which transportation or utility facilities are located, the Borrower shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as a University project. Any money consideration received in connection with the release of any portion of the Premises or the subordination of the lien of the Security Deed pursuant to this Section 8.13 shall be deposited in the Bond Fund and used to redeem Bonds pursuant to Section 304(a) of the Indenture.

If all of the conditions of this Section are met, the Trustee shall be authorized to release any such property from the lien of the Security Deed or subordinate such lien or execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege.

No release or conveyance effected under the provisions of this Section shall entitle the Borrower to any abatement or diminution of the loan payments payable under Section 5.02 hereof.

Section 8.14. Limitations on Incurrence of Additional Indebtedness.

The Borrower covenants and agrees that it will not incur any Additional Indebtedness other than Additional Bonds or Additional Indebtedness described in subsections (a) through (e), inclusive, of this Section 8.14, which Additional Indebtedness may be incurred only in the manner and pursuant to the terms set forth in subsections (a) through (e), inclusive, of this Section 8.14.

(a) Long-Term Indebtedness on a parity with the Bonds may be incurred by the Borrower in connection with Additions or Alterations if prior to the incurrence thereof there is delivered to the Trustee a rental agreement with the Board of Regents providing for rents sufficient to pay the Debt Service on such Long-Term Indebtedness and a confirmation letter from the Rating Agency then rating the Bonds then Outstanding stating that the incurrence of the Long-Term Indebtedness will not result in a qualification, downgrade or withdrawal of the then current ratings on the Bonds then Outstanding.

(b) Completion Indebtedness on a parity with the Bonds may be incurred by the Borrower only with the prior written consent of the Majority Beneficial Owners.

(c) Long-Term Indebtedness on a parity with the Bonds may be incurred by the Borrower for the purpose of refunding any Outstanding Long-Term Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof:

(i) the Governing Body of the Borrower shall have adopted a resolution finding that such refunding is in the best interests of the Borrower and stating the reasons for such finding; and

(ii) there is delivered to the Trustee an opinion of Independent Counsel stating that upon the incurrence of such proposed Long-Term Indebtedness and application of the proceeds thereof, the Outstanding Long-Term Indebtedness to be refunded thereby will no longer be Outstanding; and

(iii) such refunding does not result in an increase in the Maximum Annual Debt Service Requirement.

(d) Subordinated Indebtedness if immediately after the incurrence of such Indebtedness, the Outstanding principal amount of all Subordinated Indebtedness of the Borrower does not exceed five percent (5%) of the Revenues of the Borrower for the most recent period of twelve (12) full consecutive calendar months for which the Financial Statements of the Borrower has been reported upon by an Accountant or were required to be filed pursuant to Section 8.14(a) hereof.

(e) Variable Rate Long-Term Indebtedness may be incurred by the Borrower with the written consent of Majority Beneficial Owners. If the Borrower shall incur Variable Rate Long-Term Indebtedness, there shall be taken into account in determining the Debt Service Requirement for any period of twelve (12) full consecutive calendar months the amount of principal and interest for that period based upon the assumption that the interest rate for the whole of such twelve (12) month period on such Variable Rate Long-Term Indebtedness is equal to the greater of (i) the actual average interest rate for the preceding twelve (12) month period plus 1% *per annum*, or (ii) the average "SIFMA Index" (meaning a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand

obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association) for the preceding twelve (12) month period, on the date of calculation or the next preceding date closest thereto and such calculation shall be made based on the actual term of the debt or twenty five (25) years, whichever is less; provided that if a Hedge Transaction is in place, the interest rate shall be the rate which is effective for the Hedge Transaction and provided, however, if any liquidity facility supporting such Variable Rate Long-Term Indebtedness has been drawn upon, the term of such debt shall be the pay-back period permitted by such liquidity facility and the interest rate shall be the rate which is in effect on such liquidity facility.

[End of Article VIII]

ARTICLE IX
ASSIGNMENT AND LEASING; RESTRICTIONS ON SALE,
ENCUMBRANCE, OR CONVEYANCE OF THE PROJECT BY THE BORROWER:
REDEMPTION OF BONDS

Section 9.01. Assignment and Leasing.

The rights and obligations of the Borrower under this Agreement may be assigned and delegated, and the Project may be leased by the Borrower, as a whole or in part, without the necessity of obtaining the consent of either the Issuer or the Trustee, subject, however, to each of the following conditions:

(a) No assignment or lease shall relieve the Borrower from primary liability for any of its obligations hereunder, and upon any such assignment or lease, the Borrower shall continue to remain primarily liable for payment of the Loan Payments specified in Section 5.02 hereof and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(b) The Borrower shall furnish or cause to be furnished to the Issuer and the Trustee assurances reasonably satisfactory to the Issuer and the Trustee that the Project will continue to be operated as a “project” within the meaning of the Act.

(c) No assignment or lease with any Person shall be entered into by the Borrower without first furnishing to the Trustee a Favorable Opinion of Bond Counsel or a ruling from the Internal Revenue Service to the effect that such assignment or lease will not cause the interest on any Bonds which is excludable from the gross income of the Beneficial Owners thereof to become includable therein for federal income tax purposes.

(d) No such assignment or lease shall give rise to a novation, as evidenced by an opinion of Independent Counsel delivered to the Trustee.

(e) The Borrower shall, within thirty (30) days after the execution thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each such assignment or lease, as the case may be. The Issuer and the Trustee shall have the right, at any time and from time to time, to notify any assignee or lessee of the rights of the Issuer and the Trustee, as provided by this paragraph. From time to time, upon the request of the Issuer or the Trustee, the Borrower shall specifically assign and grant a security interest to the Trustee, as additional security for its loan payment obligations hereunder, by an amendment to the Security Deed in writing and in the form approved by the Issuer and the Trustee, all the right, title, and interest of the Borrower in and to any and all leases hereafter on or affecting the Premises or the Project, together with all security therefor and all moneys payable thereunder, subject to the conditional right of the Borrower to collect the rentals under any such leases. The Borrower and the Issuer shall also execute and deliver to the Trustee any notification, financing statement, or other document reasonably required by the Trustee to perfect the foregoing assignment and security interest created as to any such leases and other properties.

(f) All leases shall contain an attornment clause providing in effect that if at any time during the term of the lease, the Trustee or designee of the Trustee, or a subsequent purchaser at a foreclosure sale from the Trustee, shall become the owner of the Project, such lessee agrees, at the election and upon demand of any owner of the Project, to attorn, from time to time, to any such owner upon the terms and conditions set forth in the lease. Such lessee shall agree, at the request of the party to whom it has attorned, to execute, acknowledge, and deliver, without charge, from time to time, instruments acknowledging such attornment. The attornment clause shall provide that upon such attornment, the lease shall continue in full force and effect as, or as if it were, a direct lease between the successor and the lessee, except that the successor landlord shall not (i) have any liability for any previous act or omission of a predecessor landlord under the

lease, (ii) be bound by any previous modification of the lease or by any previous prepayment of more than two month's rent, unless such modification or prepayment shall have been expressly approved in writing by the Issuer and the Trustee, or (iii) have any liability for refusal or failure to perform or complete landlord's work or otherwise prepare the demised premises for occupancy in accordance with the provisions of the lease.

The Issuer confirms and recognizes that the right of possession of lessees of the Borrower to the Premises and its other rights arising out of the leases shall not be affected or disturbed in any way by the Issuer or the Trustee or by the exercise of any rights or remedies by the Issuer or the Trustee for any reason other than one which would entitle the Borrower under the leases to dispossess the lessees from the Premises or which would constitute an event of default under the leases. Further, upon a foreclosure or such other exercise of the Issuer's or Trustee's rights under this Agreement and the Indenture, the Issuer agrees that so long as any lessee is not in default under the terms of its lease, it shall recognize such lessee as the lessee under such lease.

Section 9.02. Restrictions on Sale, Encumbrance, or Conveyance of the Project by the Borrower.

The Borrower agrees that, except as set forth in Section 8.03 and 9.01 hereof or other provisions of this Agreement or the Indenture, it shall not (1) directly, indirectly, or beneficially sell, convey, or otherwise dispose of any part of its interest in the Project during the Agreement Term, or (2) permit any part of the Project or the Premises to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind except as otherwise permitted under this Agreement and the Security Deed, and (3) assign, transfer, or hypothecate (other than to the Trustee pursuant to the Security Deed) any rent (or analogous payment) then due or to accrue in the future under any lease of the Project, except for Permitted Encumbrances or except as otherwise permitted in Sections 8.03 and 9.01 hereof.

Section 9.03. Redemption of Bonds.

The Issuer, at the written request of the Borrower at any time and if the Bonds are then callable or available for purchase, and if there are funds available therefor, or if the Borrower elect to prepay the Notes by prepaying the Basic Loan Payments, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Indenture to effect redemption or purchase of all or part of the then outstanding Bonds, as may be specified by the Borrower, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

[End of Article IX]

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined.

The following shall be “Events of Default” under this Agreement, and the terms “Event of Default” or “Default” means, whenever they are used in this Agreement, any one or more of the following events:

(a) The Borrower’s failure to pay any Loan Payment required to be paid under Section 5.02(a) hereof at the times specified therein.

(b) The breach by the Borrower in any material respect of any representation or warranty contained in this Agreement or the failure of the Borrower to observe, perform, or comply with any covenant, condition, or agreement in this Agreement on the part of the Borrower to be observed or performed (other than as referred to in subsection (a) of this Section or failure to maintain its existence as required by Section 8.03 hereof or failure to maintain insurance as required by Section 8.07 hereof or permitting a lien or encumbrance in violation of Section 9.02 hereof, each of which shall constitute an immediate Event of Default) for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given to the Borrower by the Issuer or the Trustee.

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

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

(e) The failure of the Borrower to maintain a Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year on or after the Fiscal Year ended June 30, 202[8].

(f) The occurrence and continuance of any other “Event of Default” under the Bond Documents or any material representation or warranty made by or on behalf of the Borrower herein or any other Bond Documents or any report, certificate, financial statement, or other instrument furnished pursuant hereto or thereto shall prove false, misleading, or incorrect in any material respect as of the date made.

Section 10.02. Remedies on Default.

Whenever any Event of Default referred to in Section 10.01 hereof shall have happened and be continuing, the Trustee, as assignee of the Issuer, to the extent permitted by law, may take any one or more of the following remedial steps:

(a) The Trustee, as assignee of the Issuer, may at its option declare all unpaid installments of Basic Loan Payments and other amounts payable under Section 5.02 hereof by the Borrower with respect to which such Event of Default occurs for the remainder of the Agreement Term to be immediately due and payable whereupon the same shall become immediately due and payable. Upon a declaration of acceleration by the Trustee under Section 802 of the Indenture, all unpaid Basic Loan Payments payable hereunder shall become immediately due and payable; provided, however, that if acceleration of the Bonds has been rescinded and annulled pursuant to Section 802 of the Indenture, acceleration of the Basic Loan Payments and other amounts payable under Section 5.02 hereof required by this Section 10.02(a) shall similarly be rescinded and annulled and the Event of Default occasioning such acceleration shall be waived, but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon.

(b) If any of the Bonds at the time shall be outstanding and unpaid, the Trustee may have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower.

(c) The Trustee, as assignee of the Issuer, may from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the loan payments and other amounts payable by the Borrower hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Agreement.

Amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture) and the Borrower has paid all amounts due under Sections 5.02, 8.06, and 10.04 hereof, then any amounts remaining shall be paid to the Borrower. If there is no Trustee serving under the Indenture, the Issuer shall have the right to exercise all remedies hereunder.

Section 10.03. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Trustee, as assignee of the Issuer, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Beneficial Owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses.

If the Borrower should default under any of the provisions of this Agreement and the Issuer or the Trustee should employ attorneys or incur other reasonable expenses for the collection of Basic Loan Payments hereunder or the enforcement of performance or observance of any obligation or agreement on

the part of the Borrower herein contained, the Borrower agrees that it shall on demand therefor pay to the Issuer or the Trustee the reasonable fees of such attorneys and such other expenses actually incurred by the Issuer and/or Trustee. Any attorneys' fees required to be paid by the Borrower under this Agreement shall include attorneys' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals.

Section 10.05. Waiver of Events of Default.

The Trustee, on behalf of the Issuer, may waive any Event of Default hereunder and its consequences or rescind any declaration of acceleration of payments of the Basic Loan Payments due hereunder. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or the Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Issuer or the Trustee, then and in every such case the Issuer and the Borrower shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

[End of Article X]

ARTICLE XI
OPTIONS IN FAVOR OF BORROWER

Section 11.01. General Options to Terminate Agreement.

The Borrower shall have, and is hereby granted, the following options to terminate this Agreement at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture). The Borrower may terminate the Agreement Term by (i) paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, redemption premium, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption, and Trustee's and paying agents' fees, (ii) in the case of redemption, making arrangements satisfactory to the Trustee for giving the required notice of redemption, (iii) paying to the Issuer any and all sums then due to the Issuer under this Agreement, and (iv) otherwise complying with the provisions of Article IX of the Indenture.

Section 11.02. Option and Obligation to Prepay Notes in Certain Events.

The Borrower shall have, and is hereby granted, the option to prepay the Notes and cause the redemption of the Bonds prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if either of the following shall have occurred:

(a) The Project shall have been damaged or destroyed by fire or other casualty to such extent that, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, (i) the Project cannot be reasonably restored within a period of six (6) months to substantially the condition thereof immediately preceding such damage or destruction or (ii) the Borrower is thereby prevented from carrying on its normal operations at the Project for a period of six (6) consecutive months or (iii) the cost of reconstruction would exceed the total amount of Net Proceeds of insurance carried thereon by more than \$500,000; or

(b) title to, or the temporary use of, a substantial portion of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or person, firm, or corporation acting under governmental authority to such extent that, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, (i) the Project cannot be reasonably restored or replaced within a period of six (6) consecutive months to substantially the condition thereof immediately preceding such damage or destruction or (ii) in the Borrower being thereby prevented from carrying on its normal operations therein for a period of six (6) consecutive months or (iii) the cost of restoration or replacement would exceed the total amount of compensation for such taking by more than \$500,000.

(c) Notwithstanding the foregoing, the Borrower shall have the obligation to prepay the Loan prior to the full payment of all of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if the events stated in subsection (a) or (b) of this Section shall have occurred, unless the Borrower shall furnish to the Trustee the items required by subsection (c) of Section 7.01 of this Loan Agreement.

If the Borrower exercises its option to prepay the Loan in the events set forth in subsection (a) or (b) of this Section or if the Borrower is obligated to prepay the Loan in the event set forth in subsection (c) of this Section, the Borrower must prepay the Series 2025 Note within one hundred eighty (180) days after such event.

To exercise such option, the Borrower shall, within sixty (60) days following the event authorizing the exercise of such option, give written notice of the exercise of such option to the Issuer and the Trustee and shall specify therein the date of tender of such prepayment, which date shall not be less than forty-five (45) nor more than one hundred twenty (120) days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, shall make arrangements satisfactory to the Trustee for giving the required notice of redemption. The amount payable by the Borrower if it is obligated to prepay the Loan or upon its exercise of the option granted in the circumstances described in subsections (a) or (b) of this Section shall be the sum of the following:

(1) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to retire and redeem all the then Outstanding Series 2025 Bonds, as applicable, on the applicable redemption date provided by the Indenture, including without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus

(2) an amount of money equal to the Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees, under the Indenture accrued and to accrue until such final payment and redemption of the Bonds being redeemed, plus

(3) an amount of money equal to the Issuer's reimbursable expenses under this Agreement accrued and to accrue until such final payment and redemption of such Bonds.

Section 11.03. Option to Prepay Notes and Redeem Bonds at Optional Redemption Dates.

The Borrower shall have the option to prepay the Notes by prepaying Loan Payments due under this Agreement in such manner and amounts as will enable the Issuer to redeem the Bonds prior to maturity in whole or in part on any date, as provided in Section 304(b) of the Indenture. The Loan Payments payable by the Borrower upon its exercise of the option granted under this Section shall be, (i) in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, as provided in Section 304(b) of the Indenture, and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in Article IX of the Indenture and the applicable redemption premium, as provided in Section 304(b) of the Indenture.

Section 11.04. Option to Release Project.

The Borrower shall have the option to release any of the Project from the lien of the Security Deed subject to the Rental Agreement remaining in effect following such release providing sufficient Revenue Available for Debt Service to produce a Debt Service Coverage Ratio of not less than 1.0, as evidenced by a certificate of an Authorized Borrower Representative filed with the Issuer and the Trustee. In connection with any release of the Project, the Borrower will cause the University to agree that prior to permitting use of the released project by any Person other than the University, it will obtain a Favorable Opinion of Bond Counsel regarding such use.

[End of Article XI]

**ARTICLE XII
MISCELLANEOUS**

Section 12.01. Notices.

All notices, certificates, or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by Electronic Means, or by personal delivery addressed as follows:

If to the Issuer: Development Authority of Cobb County
1100 Circle 75 Parkway, Suite 1000
Atlanta, Georgia 30339
Attention: Executive Director
E-mail: ngeter@cobbchamber.org

with a copy to: Seyfarth Shaw LLP
1075 Peachtree Street, N.E.
Suite 2500
Atlanta, Georgia 30309
Attention: Daniel M. McRae
E-mail: dmcray@seyfarth.com

If to the Borrower: KSU 2024 Housing Real Estate Foundation, LLC
c/o Kennesaw State University Foundation, Inc.
1000 Chastain Road
Kennesaw, Georgia 30144
Attention: Chief Financial Officer
E-mail: sbridg18@kennesaw.edu

If to the Trustee: Wilmington Trust, National Association
99 Wood Avenue South, 10th Floor
Iselin, New Jersey 08830
Attention: Corporate Trust Department
E-mail: bvonarx@wilmingtontrust.com

If to the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Public Finance Group - 23rd Floor
New York, New York 10007
Attention: Public Finance Group
Facsimile: (212) 208-3511

If to the Underwriter: Raymond James & Associates, Inc.
3050 Peachtree Road, N.E., Suite 702
Atlanta, Georgia 30305
Attention: David H. Gray, Managing Director
E-mail: david.gray@raymondjames.com

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, Electronic Means, messenger, courier service, or otherwise), as to the Borrower, to an officer, agent, or employee of the Borrower at any location where such person may be found and, as to any other party, to an officer, agent, or employee of such other party at the address of such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing,

acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee and to the Underwriter. Any party named in this Section 12.01 may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 12.02. Construction and Binding Effect.

This Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, and its successors and assigns subject, however, to the limitations contained in Sections 8.03, 9.01, and 9.02 hereof.

Section 12.03. Severability.

If 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 12.04. Amendment, Changes, and Modifications.

Neither this Agreement nor the Indenture may be amended, changed, modified, or altered, except as provided in the Indenture.

Section 12.05. Execution of Counterparts.

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

Section 12.06. Law Governing Construction of this Agreement.

This Agreement is prepared and entered into with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 12.07. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date for any payment due under this Agreement shall be, in the location of the principal corporate trust office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then such payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date due.

Section 12.08. Benefit of and Enforcement by Beneficial Owners.

The Borrower acknowledges that this Agreement is executed in part to induce the purchase of the Bonds and to secure the Bonds, and accordingly, the Borrower agrees that all covenants and agreements on the part of the Borrower contained in this Agreement (other than the Issuer's Unassigned Rights) are for the benefit of the Beneficial Owners from time to time of the Bonds and may be enforced as provided in Section 10.02 of this Agreement and Article X of the Indenture on behalf of the Beneficial Owners of the Bonds by the Trustee.

Section 12.09. No Liability of Issuer's Officers.

No recourse under or upon any obligation, covenant, or agreement contained in this Loan Agreement, or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of this Loan Agreement, shall be had against any member, director, officer, agent, or employee as such, past, present, or future of the Issuer, or any, for the payment for or to the Issuer or any receiver thereof, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member, director, officer, agent, or employee, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Loan Agreement and the issuance of the Bonds.

Section 12.10. Electronic Signatures

The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Agreement) shall be deemed (a) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means; in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature.

Section 12.11. Electronic Transactions and Storage.

The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[End of Article XII]

SIGNATURES AND SEALS

IN WITNESS WHEREOF, the Issuer has executed this Agreement by causing its name to be hereunto subscribed by its Chairman or Vice Chairman and by causing the official seal of said Issuer to be impressed hereon and attested by its Secretary-Treasurer or Assistant Secretary-Treasurer; and the Borrower has executed this Agreement by causing its name to be hereunto subscribed by the President of the Borrower, all being done as of the day and year first written above.

**DEVELOPMENT AUTHORITY
OF COBB COUNTY**

By: _____
Chairman

(SEAL)

Attest:

Secretary-Treasurer

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

By: _____
Lance Burchett, President

EXHIBIT A

FORM OF SERIES 2025 NOTE

(THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933)

**KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC
SERIES 2025 NOTE**

April __, 2025

\$_[_____]

KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC, a limited liability company duly organized and existing under the laws of the State of Georgia (the “Borrower”), for value received, hereby promise to pay to the **DEVELOPMENT AUTHORITY OF COBB COUNTY**, a public body corporate and politic created and existing under the laws of the State of Georgia (hereinafter called the “Issuer”), and its successors and assigns, the principal sum of [_____] Dollars (\$[_____]) payable as provided herein. The Borrower shall pay or cause to be paid to Wilmington Trust, National Association, as trustee under the hereinafter defined Indenture (the “Trustee”), in immediately available funds for the account of the Issuer for deposit into the Bond Fund created under the Trust Indenture, dated as of April 1, 2025 (the “Indenture”), between the Issuer and the Trustee, on July 5, 2025 and on or before January 5 and July 5 thereafter, the amounts specified in Section 5.02 of the Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower. This Series 2025 Note shall mature on the earlier of (i) the date on which the hereinafter defined Series 2025 Bonds are paid in full within the meaning of Article IX of the Indenture or (ii) July 15, 2056.

The principal of, premium, if any, and interest on this Series 2025 Note are payable in lawful money of the United States of America at the corporate trust office of the Trustee in Iselin, New Jersey, or its successor or successors, whether at maturity or by acceleration, for deposit in the Bond Fund, as defined in the Indenture, for the account of the Issuer.

This Series 2025 Note constitutes the Series 2025 Note issued under and pursuant to and is entitled to the benefits and subject to the conditions of the Loan Agreement, to which reference is hereby made for a description of the terms and conditions upon which this Series 2025 Note may be subject to optional or mandatory prepayment, in whole or in part, or may be accelerated. Reference is hereby made to the Loan Agreement for a description of the security for this Series 2025 Note and the options and obligations of the Borrower and the Issuer hereunder. Upon an Event of Default (as defined in the Loan Agreement), the entire principal of and interest on this Series 2025 Note may be declared or may become immediately due and payable as provided in the Loan Agreement.

This Series 2025 Note is given for value received and in consideration of the issuance by the Issuer of its revenue bonds designated “Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025,” in the original aggregate principal amount of \$[_____] (the “Series 2025 Bonds”), issued by the Issuer under the terms of a resolution adopted by the Issuer on February 18, 2025, and the Indenture.

Each payment under this Series 2025 Note immediately preceding the Interest Payment Dates (as defined in the Loan Agreement) on the Series 2025 Bonds and immediately preceding the principal payment (or mandatory redemption) dates on the Series 2025 Bonds as provided in the Indenture, until the Series 2025 Bonds are fully paid or payment is provided therefor in accordance with the Indenture, shall in all events be sufficient to pay the total amount of interest, principal, redemption requirement, and premium,

if any, payable on the Series 2025 Bonds on the next succeeding principal or interest payment date or on the next succeeding redemption date. If at any time all principal and interest and any premium payments on the Series 2025 Bonds have been paid within the meaning of the Indenture, the Borrower shall not be obligated to make any further principal or interest or premium payments hereunder, and the Issuer or the Trustee shall surrender this Series 2025 Note to the Borrower for cancellation.

The obligation of the Borrower to make the payments required to be made under this Series 2025 Note and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Borrower and shall be absolute and unconditional irrespective of any defense or any rights of setoff, counterclaim, or recoupment it may otherwise have against the Issuer. Until such time as the principal of, premium, if any, and the interest on the Series 2025 Bonds shall have been paid in full, the Borrower agrees that it shall not suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments on this Series 2025 Note or fail to observe any of its other covenants or agreements herein or terminate their obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Borrower to occupy or to use the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds as contemplated in the Loan Agreement or otherwise, any change or delay in the time of availability of the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds, any acts or circumstances that may impair or preclude the use or possession of the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds, any acts or circumstances that may constitute an eviction or constructive eviction, any defect in the title, design, operation, merchantability, fitness, or condition of the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds or in the suitability of the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds for the Borrower's purposes or needs, failure of consideration, destruction of or damage to the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds, commercial frustration of purpose, the taking by eminent domain of title to or the use of all or any part of the facilities being financed and refinanced with the proceeds of the Series 2025 Bonds, any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either thereof or in the rules and regulations of any governmental authority, any declaration or finding that the Series 2025 Bonds are invalid or unenforceable, the invalidity of any provision of the Loan Agreement or this Series 2025 Note, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Loan Agreement.

This Series 2025 Note is issued with the intent that the laws of the State of Georgia shall govern its construction.

The Borrower hereby waives presentment, demand, protest, and notice of demand or protest, and non-payment and assents to the addition or release of any other party or person primarily or secondarily liable under this Series 2025 Note. Upon a default hereunder, the Borrower agrees to pay attorneys' fees and expenses as provided by the Loan Agreement. No waiver by the Issuer or its assigns of any default under this Series 2025 Note shall be effective unless in writing, and no such waiver shall be a waiver of any other default. This Series 2025 Note shall bind the successors and assigns of the Borrower.

[Signature Follows]

IN WITNESS WHEREOF, the Borrower has caused this Series 2025 Note to be executed in its name and on its behalf by its President as of the date first written above.

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

By: _____
Lance Burchett, President

ENDORSEMENT

FOR VALUE RECEIVED, the Development Authority of Cobb County (the “Issuer”) hereby irrevocably assigns and transfers the foregoing Series 2025 Note, without recourse or warranty, except warranty that the Issuer has not assigned the foregoing Series 2025 Note to a person other than the hereinafter defined Trustee, to the order of Wilmington Trust, National Association, Iselin, New Jersey (the “Trustee”), trustee under an Trust Indenture, dated as of April 1, 2025, between the Issuer and the Trustee. The Issuer hereby directs the maker of the Series 2025 Note, KSU 2024 Housing Real Estate Foundation, LLC, to make all payments with respect to principal of, premium, if any, and interest on the Series 2025 Note and all other payments required thereby directly to the order of the Trustee for the account of the Issuer at the Trustee’s corporate trust office in Iselin, New Jersey, or such other place as the Trustee, or its successor in trust, may designate in writing.

Dated April __, 2025.

**DEVELOPMENT AUTHORITY OF
COBB COUNTY**

By: _____
Chairman

(SEAL)

ATTEST:

Secretary-Treasurer

ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledge and agree to the aforesaid assignment of the Series 2025 Note by the Development Authority of Cobb County to Wilmington Trust, National Association, as trustee.

Dated this ____ day of April 2025.

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

By: _____
Lance Burchett, President

EXHIBIT B

FORM OF PROJECT FUND REQUISITION

To: Wilmington Trust, National Association, as Trustee (the “Trustee”) under the Trust Indenture dated as of April 1, 2025 (the “Indenture”).

This Requisition for Payment (this “Requisition”) Number ___ is made pursuant to Section 4.03 of the Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), among the Development Authority of Cobb County (the “Issuer”), and KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”) pursuant to Section 505 of the Indenture.

Terms used in this Requisition shall have the meanings specified for them in the Loan Agreement.

The Trustee is hereby authorized and directed to make payment in the aggregate amount of \$_____ from the [Bond Proceeds Account][Equity Account] of the Project Fund as specified in the Itemized Statement of Costs on Schedule A attached hereto and pursuant to the Loan Agreement. The undersigned officer of the Authorized Borrower Representative hereby certifies to you on behalf of the Borrower in connection with the amount for which payment is requested by this Requisition, as follows:

(1) The obligations as set forth on this Requisition were incurred for Costs of the Project that constitute capital expenditures under GAAP.

(2) All previous disbursements from the Project Fund have been expended for Costs of the Project described in prior Requisitions submitted by the Borrower. This Requisition contains no items representing payment on account of any retained percentage required to be retained by the Borrower at the date hereof.

(3) This Requisition is for Costs of the Project that have not been the basis of a prior or contemporaneous Requisition or of a prior payment of an external loan or of a prior reimbursement of internal advances.

(4) No item(s) for which payment is requested has (have) been the basis for any prior disbursement from the Project Fund (requests for disbursement of Retainage amounts under any contract relating to the construction of the Project will not be deemed made for an item which has been the basis of a prior disbursement by virtue of requests for disbursement of amounts covering the cost of such construction, less the Retainage amounts).

(5) The amount of such costs included in this Requisition either has been paid by the Borrower or is justly due to the Contractor and each subcontractor or other party for labor, materials, services or equipment furnished for the design, construction and equipping of the Project insofar as actually incorporated therein up to the date of this Requisition (in the case of the first Requisition) or to the date of such Requisition from the date of the previous Requisition (in the case of any subsequent Requisitions).

(6) To the knowledge of the undersigned, as of the date hereof, the construction of the Project to date has been performed in a good and workmanlike manner and substantially in accordance with any contract therefor (the “Construction Contract”) and the progress thereof is such that the Project will be substantially completed on or before twenty (20) months following the Closing Date.

(7) There are no material impediments that would present a threat to completion of construction at the costs contemplated (i) in the Construction Contract, as amended to date, or (ii) on the schedule contemplated as of the Closing Date, as amended to date.

(8) No notice of any mechanics' or other lien or encumbrance upon the Premises by reason of labor, materials, services or equipment supplied or claimed to be supplied in connection with the Premises has been received by the Borrower or has been filed, or if any notice of any such lien or encumbrance upon the Project has been received by the Borrower or has been filed, such lien or encumbrance has been discharged or dissolved or the Borrower is contesting the same in the manner provided in the Loan Agreement and the other Bond Documents (attached hereto are waivers of such mechanic's liens).

(9) The amount remaining on deposit in the Project Fund at the end of the month immediately preceding the date of this Requisition, and the amount of investment earnings estimated by the Borrower to be deposited therein over the remainder of the construction period, is set forth below:

PROJECT FUND BALANCE

Bond Proceeds Account

Estimated Investment Income – Bond Proceeds Account

Equity Account

Estimated Investment Income – Equity Account \$ _____

Total Estimated Project Fund Balance \$ _____

(a) The "Total Estimated Project Fund Balance" as set forth above is sufficient to pay the expected remaining Costs of the Project in accordance with the Project budget and there is no Cost of the Project deficit.

(b) The amounts remaining in the Project budget for payments to the Contractor are sufficient for the completion of the payments to the Contractor anticipated to be incurred through the end of time period included in the Project budget, and to complete the construction of the Project in accordance with the Plans and Specifications.

(c) The amounts remaining in the Project budget for costs other than to the Contractor are sufficient for the completion of such costs other than to the Contractor anticipated to be incurred through the end of the time period included in the Project budget and to complete the construction of the Project in accordance with the Plans and Specifications.

(10) All other applicable requirements of the Loan Agreement and the Indenture have been satisfied.

(11) Amounts previously requested for the categories listed in this Requisition, together with the amount of this Requisition, do not exceed the total amount shown for such category in Schedule A hereto.

(12) The Borrower certifies that all costs payable under the categories listed in the attached Itemized Statement of Costs have been paid (or a maximum amount of costs will be paid in such category(ies) to complete the Project, based on existing contracts or purchase orders); the amount of costs paid (or certified to be paid) under such category(ies) in the Itemized Statement of Costs; and the amount of such savings, together with the amounts available in the categories covered by this Requisition, is sufficient to pay the costs requested hereby.

(13) As to any obligation stated on the Requisition incurred in or for payment of the purchase price of any item of materials, equipment or other personal property the Borrower has or, upon disbursement pursuant to such request, will have title to such property free and clear of any lien or encumbrance other than the lien created by or pursuant to the Bond Documents subject to Permitted Liens.

(14) The representations and warranties contained in the Loan Agreement and the Tax Agreement are true and correct in all material respects as of the date hereof with the same effect as if made on this date.

(15) No event has occurred and is continuing which constitutes an Event of Default or would, with the passage of time or the giving of notice, or both, constitute an Event of Default under the Bond Documents.

(16) To the knowledge of the Borrower no litigation or proceedings are pending or threatened (including proceedings under Title 11 of the United States Code) against the Borrower, the Project or the Contractor, which litigation or proceedings is material (or which, in the case of the Contractor, could materially affect the completion of the Project).

[Delete inapplicable sections for disbursements other than to the Contractor.]

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

By: _____
Authorized Borrower Representative

Approved:

JONES LANG LASALLE AMERICAS, INC.,
Program Manager

By: _____
Title: _____

SCHEDULE A

ITEMIZED STATEMENT OF COSTS

Payable To:

Purpose

Amount

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APPENDIX A-3
FORM OF SECURITY DEED

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-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

After recording return to:
Butler Snow LLP
1170 Peachtree Street, N.E., Suite 1900
Atlanta, Georgia 30309
Attention: Jerry Peterson

**LEASEHOLD DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT, AND FIXTURE FILING**

KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC, as Grantor

in favor of

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Grantee

Dated as of April 1, 2025

THIS LEASEHOLD DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, AND FIXTURE FILING IS ENTERED INTO BY A PUBLIC NON-PROFIT CORPORATION IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE DEVELOPMENT AUTHORITY OF COBB COUNTY, A PUBLIC AUTHORITY EXISTING UNDER THE LAWS OF THE STATE OF GEORGIA, THEREFORE, THIS INSTRUMENT IS NOT SUBJECT TO THE INTANGIBLE RECORDING TAX. SEE RULE 560-11-8-.14(1) OF THE RULES AND REGULATIONS OF THE GEORGIA DEPARTMENT OF REVENUE.

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(This Table of Contents is not a part of the Leasehold Deed to Secure Debt, Security Agreement Assignment of Rents and Leases, and Fixture Filing but is for convenience of reference only)

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**LEASEHOLD DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT, AND FIXTURE FILING**

GEORGIA, COBB COUNTY

THIS LEASEHOLD DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, AND FIXTURE FILING, dated as of April 1, 2025 (together with any amendments or supplements hereto, hereinafter referred to as this “Deed to Secure Debt”), by **KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC**, a Georgia limited liability company as grantor (hereinafter referred to as the “Borrower”), in favor of **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as grantee (the “Trustee” or “Grantee”).

WITNESSETH:

WHEREAS, the Borrower has requested that the Development Authority of Cobb County (the “Issuer”) make a loan to the Borrower to (i) finance the cost of constructing, equipping and furnishing an approximately 462-bed student housing facility to be located on the campus of the University (the “Project”), (ii) fund capitalized interest on the hereinafter defined Series 2025 Bonds, and (iii) pay the costs of issuing the Series 2025 Bonds; and

WHEREAS, in order to finance the cost of the Project, fund capitalized interest on the Series 2025 Bonds, and (iii) pay the costs of issuing the Series 2025 Bonds, the Issuer has determined to make a loan to the Borrower in the principal amount of \$_____ (the “Loan”); and

WHEREAS, in order to provide the funds necessary to make the Loan, the Issuer has authorized the issuance of Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025,” in the original aggregate principal amount of \$_____ (the “Series 2025 Bonds”), pursuant to the Indenture, dated as of April 1, 2025 (the “Indenture”), between the Issuer and the Trustee; and

WHEREAS, the Issuer and the Borrower have entered into a Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement” or “Agreement”), pursuant to which the Issuer has agreed to issue the Series 2025 Bonds and to lend the proceeds thereof to the Borrower and, in consideration thereof, the Borrower has agreed to execute and deliver its promissory note in the same principal amount as the aggregate principal amount of the Series 2025 Bonds, dated the date of issuance of the Series 2025 Bonds (the “Series 2025 Note”), providing for payments at such times and in such amounts as will be required to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same become due; and

WHEREAS, the Premises (hereinafter defined) have been leased to the Borrower pursuant to a ground lease between the Borrower and the Board of Regents of the University System of Georgia (the “Ground Lease”) together with the leasehold estate created under and by virtue of the Ground Lease including all renewals and extensions of the terms of the Ground Lease (the property described hereinabove sometimes referred to as the “Leasehold Estate”); and

WHEREAS, in order to secure its obligation to repay the Series 2025 Note, the Borrower has executed and delivered this Deed to Secure Debt;

NOW, THEREFORE, the Borrower, in consideration of the premises and of the issuance of the Series 2025 Bonds by the Issuer and the loan of the proceeds of the sale of the Series 2025 Bonds to the

Borrower and of the debts, covenants, and agreements hereinafter mentioned and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, in order to secure the full and punctual payment of the Series 2025 Note, according to its tenor and effect, and all other Indebtedness (as hereinafter defined) and the performance and observance by the Borrower of all of the terms, agreements, and covenants contained in the Indenture, the Series 2025 Note, and this Deed to Secure Debt which are to be performed by it, has granted, bargained, sold, conveyed, assigned, transferred, pledged, and set over unto the Trustee, and by these presents does grant, bargain, sell, convey, assign, transfer, pledge and set over unto the Trustee, and its successors and assigns and any future holder or holders of the Series 2025 Note, to inure to their use and benefit, its rights in the Leasehold Estate under the Ground Lease in the following described immovable property, rights, titles, interests, and estates (herein called the "Mortgaged Property"), to-wit, all the right, title, estate, and interest of the Borrower in and to the real property situated in Cobb County, Georgia, described in Exhibit A attached hereto (the "Premises"), together with all buildings, structures, additions, improvements, and fixtures now or hereafter located thereon or therein, or on any part or parcel thereof, with the servitudes, appurtenances, rights, ways, advantages, privileges, and immunities now or hereafter thereunto belonging or in anywise appertaining, together with all and singular the easements and riparian and littoral rights now or hereafter thereunto belonging or in anywise appertaining, and including all rights of ingress and egress to and from adjoining property (whether such rights now exist or subsequently arise), together with the minerals, soil, flowers, shrubs, crops, trees, timber, and other emblements now or hereafter on said property or under or above the same or any part or parcel thereof, together with all of the water, sanitary, and storm sewer systems which are now or hereafter located by, over, and upon the property hereinbefore described, or any part and parcel thereof, which water system includes all water mains, service laterals, hydrants, valves and appurtenances, and which sewer system includes all sanitary sewer lines, including mains, laterals, manholes, and appurtenances, together with all paving for streets, roads, walkways, or entrance ways which are now or hereafter located on the property hereinbefore described or any part or parcel thereof, together with all subsequent additions, substitutions, and replacements to and for the property hereinbefore described, as well as present and future component parts thereof and accessories thereto, together with all natural increases, accessions, accretions, and issues of the property hereinbefore described, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described which is affixed or attached or annexed to the Premises shall be and remain or become and constitute a portion of the Premises and the collateral encumbered by and subject to the lien and security title of this Deed to Secure Debt;

TOGETHER WITH, all the right, title, and interest of the Borrower in and to "Revenues," as defined in the Indenture, including all receipts, revenues, payments, income and other moneys received by or on behalf of the Borrower from any source, whether or not in connection with the ownership or the operation of all or any part of the Project, including, without limitation, all operating and non-operating revenues, and all rights to receive the same whether in the form of accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles of the Borrower and the proceeds thereof, the proceeds of any insurance coverage on and condemnation awards in respect of the Mortgaged Property or any gain on the sale or other disposition of the Mortgaged Property; all of the foregoing, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Borrower; and including all gifts, grants, bequests, donations and contributions, except those heretofore or hereafter made, designated at the time of making by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due from the Borrower under the Indenture and except any income derived therefrom to the extent required by such designation or restriction, and all right, title and interest of the Borrower in and to the Funds and accounts established under the Indenture;

TOGETHER WITH, all leases of all or part of the Project, now existing or hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees' obligations under any thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, service, maintenance, or warranty contracts, and other contracts, licenses, and permits now or hereafter affecting

the Project or any part thereof and rights under trade names, patents, or copyrights that are subject to use in connection with the Project or the Borrower's business or other activities with regard thereto;

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behoof of the Trustee; and the Borrower warrants that it is lawfully possessed of the Premises, and has good right to convey its interest in the same, that the same is unencumbered except for "Permitted Encumbrances" set forth in Exhibit B, attached hereto and by this reference thereto incorporated herein and made a part hereof (the "Permitted Encumbrances"), and that the Borrower does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to the Permitted Encumbrances.

This Deed to Secure Debt is intended to operate and is to be construed as a deed passing the Borrower's estate and title in and to the Premises to the Trustee, and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt pursuant to the provisions of O.C.G.A. Section 44-14, as amended, and not as a mortgage, and is given to secure the payment and performance of the following described indebtedness and obligations (collectively, the "Indebtedness"):

(a) the debt evidenced by the Indenture and the Series 2025 Note in the stated aggregate principal amount of [TBD] and No/100ths Dollars (\$_____) payable to the order of the Issuer with the final payment being due on or before July 15, 2056, together with any and all renewals, modifications, consolidations, replacements and extensions thereof; and

(b) all obligations of the Borrower in favor of the Issuer of every type and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including but not limited to all obligations evidenced by the Loan Agreement and the Series 2025 Note, all Indebtedness and all future advances of funds by the Issuer to the Borrower; and

If the Indebtedness is paid according to the tenor and effect thereof when the same shall become due and payable, and if the Borrower performs all agreements herein contained in a timely manner, then this Deed to Secure Debt shall be cancelled and surrendered.

The Borrower **HEREBY FURTHER AGREES** with the Trustee as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions.

Certain words and terms used in this Deed to Secure Debt are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. Capitalized terms used herein that are not otherwise defined herein shall have the meanings ascribed to such terms by the Indenture and the Loan Agreement. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Deed to Secure Debt:

In this Deed to Secure Debt (except as otherwise expressly provided or unless the context otherwise requires) the following terms shall have the meanings specified in the foregoing recitals and granting clauses:

Indenture	Leasehold Estate
Loan Agreement	Mortgaged Property
Borrower	Permitted Encumbrances
Deed to Secure Debt	Premises
Grantee	Revenues
Ground Lease	Loan
Project	Series 2025 Note
Indebtedness	Series 2025 Bonds
Indenture	Trustee
Issuer	

and the following additional terms shall have the meaning specified below.

“County” means Cobb County, Georgia

“Event of Default” means the events specified in Section 1001 of the Indenture.

“Loan Documents” shall mean the Series 2025 Note, Loan Agreement and this Deed to Secure Debt.

“Mortgaged Property” means any of the property subject to the operation of the granting clauses contained in this Deed to Secure Debt.

“State” means the State of Georgia.

“U.C.C.” means the Uniform Commercial Code of the State, as now or hereafter amended.

Section 102. Interpretations.

The table of contents and article and section headings of this Deed to Secure Debt are for reference purposes only and shall not affect its interpretation in any respect. The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

[End of Article I]

ARTICLE II

GENERAL COVENANTS AND PROVISIONS

Section 201. Instruments of Further Assurance; Recording.

(a) The Borrower covenants that it will do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, such amendments or supplements hereto and such further acts, assurances, documents, instruments, and transfers as the Trustee may reasonably require to cure any defect in the Series 2025 Note, the Indenture, or any other writings secured hereby or executed in connection herewith, in the execution or acknowledgment hereof or thereof, or in the description of the Mortgaged Property or to better mortgage, hypothecate, transfer, assign, pledge, and confirm unto the Trustee the Mortgaged Property mortgaged, hypothecated, transferred, assigned, and pledged hereunder, or intended so to be, or to properly evidence or give notice of the Indebtedness or of each lien securing payment of the Indebtedness or to perfect and protect the lien and security title created by this Deed to Secure Debt.

(b) The Borrower covenants that (i) upon the execution and delivery of this Deed to Secure Debt and thereafter, from time to time, it shall cause this Deed to Secure Debt and each amendment and supplement hereto (or a memorandum with respect hereto or to such amendment or supplement) to be filed, registered, and recorded and to be refiled, reregistered, and rerecorded in such manner and in such places as may be required by any present or future law or by the Trustee in order to publish notice of and to fully protect the lien of this Deed to Secure Debt upon the Mortgaged Property and (ii) it shall perform or cause to be performed from time to time any other act as required by law, and it shall execute or cause to be executed any and all instruments of further assurance that may be necessary for such publication and protection.

Section 202. Warranties of Title.

(a) The Borrower warrants that it has good and marketable leasehold title in the Premises and other property described and encumbered hereby and all rights and interests relating thereto free and clear of every mortgage, lien, encumbrance, or charge, other than Permitted Encumbrances. The Borrower has acquired or will lawfully acquire and own its leasehold interest in the Mortgaged Property and, subject to the provisions of this Deed to Secure Debt concerning release of property, will forever warrant and defend its title to the Mortgaged Property unto the Trustee against the claims and demands of all persons whomsoever, except those claiming under Permitted Encumbrances.

(b) The Borrower will proceed with reasonable diligence to correct any defect in title to the Mortgaged Property should any such defect be found to exist after the execution and delivery of this instrument, and in this connection, should it be found after the execution and delivery of this instrument that there exists upon the Mortgaged Property any lien or encumbrance, other than a Permitted Encumbrance, equal or superior or subordinate in rank or priority to the lien and security title created by this Deed to Secure Debt, or should any such lien or encumbrance hereafter arise, then, unless the Trustee is the only holder of such other lien or encumbrance, the Borrower will promptly discharge and remove any such lien or encumbrance from the Mortgaged Property or may contest such lien in accordance with the following provisions.

(c) In order to contest any liens, the Borrower shall furnish the Trustee with a bond or cash deposit equal to at least the amount so contested and with an opinion of Counsel stating that by nonpayment of any such items the liens of this Deed to Secure Debt will not be materially endangered and neither The Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to the Borrower if the lien is successfully contested. If the Borrower is unable or otherwise fail to obtain such a bond or provide such a

cash deposit and such an opinion of Counsel, the Borrower shall cause to be satisfied and discharged promptly all such items by payment thereof. If the Borrower is unable or otherwise fail to obtain such a bond or cash deposit and an opinion of Counsel, or to satisfy and discharge the lien, the Trustee may, but shall be under no obligation to, satisfy and discharge the lien by payment thereof or provide security which causes the claimant to release the lien against the Project, and all amounts so paid by the Trustee shall be treated as an advance to the Borrower repayable in accordance repayable upon demand.

Section 203. General.

For the purpose of better securing payment of the Indebtedness, the Borrower covenants and agrees with the Trustee that:

(a) So long as any of the Indebtedness remains unpaid, the Borrower shall keep in force insurance upon the Mortgaged Property as provided in Section 6.04 of the Agreement, shall pay all taxes, other governmental charges, and utility charges now or hereafter levied against the Mortgaged Property, and shall maintain the Mortgaged Property as provided in Section 6.01 of the Agreement.

(b) The Borrower shall not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Mortgaged Property unless being contested in accordance with the provisions of Section 202(c) hereof.

(c) The Trustee shall release any part of the Mortgaged Property from the lien of this Deed to Secure Debt as provided in Section 802 of the Indenture, without releasing any other part of the Mortgaged Property and without affecting the lien and security title hereof as to any other part of the Mortgaged Property.

(d) The Borrower shall permit the Trustee and its agents, representatives, and employees at all reasonable times and upon reasonable prior notice to go upon, examine, inspect, and remain on the Mortgaged Property, and shall furnish to the Trustee on reasonable request all pertinent information in regard to the construction, development, and operation of the Mortgaged Property.

(e) The Borrower shall notify the Trustee in writing promptly of the commencement of any legal proceedings affecting the Mortgaged Property or any part thereof and shall take such action as may be necessary to preserve the Trustee's rights affected thereby.

(f) Promptly upon demand by the Trustee, the Borrower shall pay all reasonable costs and expenses heretofore or hereafter incurred by the Trustee for legal, architectural, or engineering services rendered to or for the benefit of the Trustee in connection with the enforcement of any of the Trustee's rights or remedies hereunder.

Section 204. Performance of Borrower's Obligations.

If the Borrower should fail to comply with any of the agreements, covenants, or obligations of the Borrower under this or any other instrument securing, guaranteeing, or otherwise relating to the Indebtedness or any part thereof, then the Trustee may perform the same for the account and at the expense of the Borrower but shall not be obligated to do so; any and all expenses incurred or paid in so doing shall be payable by the Borrower to the one making the advancement with interest at the rate quoted by the Trustee as its prime rate plus 2%, from the date the same was incurred or paid; the amount thereof and accrued interest thereon shall be due and payable on demand and shall be secured by and under this Deed to Secure Debt; and the amount and nature of such expense and the time when paid shall be fully established by a certificate of the Trustee.

Section 205. Security Agreement.

(a) This Deed to Secure Debt is hereby made and declared to be a security agreement, encumbering each and every item of the Mortgaged Property (the “**Collateral**”), in compliance with the provisions of the U.C.C., including, but not limited to the following:

(i) the machinery, equipment, furnishings, or other property at any time installed or located on the real property described in Exhibit A hereto, and substitutions or replacements therefor, all machinery, equipment, or other property which under the terms of the Security Deed is to become the property of the Borrower or is to be subjected to the lien of this Security Deed, and, without limiting the foregoing, all of the property of the Borrower at any time installed or located on the land described in Exhibit A attached hereto together with all machinery, apparatus, equipment, fittings, fixtures, whether actually or constructively attached to said property and including all trade, domestic, and ornamental fixtures and articles of personal property of every kind and nature whatsoever now or hereafter located in, upon, or under said property or any part thereof and used or usable in connection with any present or future operations of said property, including, without limiting the generality of the foregoing, all heating, air-conditioning, freezing, lighting, laundry, incinerating, and power equipment, gas and electric fixtures, engines, machinery, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communications apparatus, safety equipment, boilers, ranges, furnaces, oil burners, or units thereof, appliances, air-cooling and air-conditioning apparatus, washers, dryers, water heaters, mirrors, mantels, vacuum cleaning systems, elevators, escalators, shades, awnings, screens, storm doors, and windows, stoves, wall beds, refrigerating plants, refrigerators, attached cabinets, partitions, ducts, and compressors, rugs and carpets and other floor coverings, draperies, furniture and furnishings, together with all building materials and equipment now or hereafter delivered to the property and intended to be installed therein, including but not limited to, lumber, plaster, cement, shingles, roofing, plumbing, fixtures, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures and unattached refrigerating, and cooking, heating, and ventilating appliances and equipment, together with all additions and accessions thereto and replacements thereof;

(ii) All of the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s ownership and operation of the Project;

(iii) All of the inventory now or hereafter located at the Project in all of its forms, including, without limitation, all goods, materials, and supplies now or hereafter held for sale and use or consumption, whether by the Borrower or by another person pursuant to a service contract, at the Project, together with all documents, documents of title, dock warrants, dock receipts, warehouse receipts, bills of lading, or orders for the delivery of all or any portion of the foregoing, all goods in which the Borrower has an interest in mass or a joint or other interest or right of any kind, all goods which are returned to or repossessed by the Borrower, and all accessions thereto and products thereof; and

(iv) All proceeds of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods, and general intangibles constituting proceeds acquired with cash proceeds of any or all of the Collateral and, to the extent not otherwise included, all payments of insurance (whether or not the Trustee is the loss payee thereof) and any indemnity, condemnation award, performance, labor, and material payment bond, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the Collateral.

A Financing Statement or Statements, affecting all of the Mortgaged Property, shall be filed initially by the Borrower. The Borrower shall cause to be delivered to the Trustee an opinion of Counsel stating that such Financing Statements have been appropriately filed or a copy of such recorded financing statements. The remedies for any violation of the Indenture, terms and conditions of the security agreement herein contained shall be (i) as prescribed herein, (ii) as prescribed by general law, and/or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in the U.C.C., all at the Trustee's sole election. The Borrower and the Trustee agree that the filing of such Financing Statement(s) in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the declaration and hereby stated intention of the Borrower and the Trustee that all portions of the Project are, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the Premises irrespective of whether (1) any such item is physically attached to the improvements thereon, (2) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (3) any such item is referred to or reflected in any such Financing Statement(s) so filed at any time. The Borrower further agrees that all of the personal property portions of the Project shall be owned by the Borrower; nor shall the Borrower create or cause to be created any security interest covering any such property, other than the security interests created herein and the occupancy rights of tenants lawfully occupying the Premises.

(b) The Borrower warrants that (i) the Borrower's (that is, "Debtor's") name or identity, or corporate structure, is as set forth in Exhibit C; and (ii) the Borrower (that is, "Debtor") has been using or operating under said name or identity without change from the time period set forth in Exhibit C attached hereto and by this reference thereto incorporated herein and made a part hereof. The Borrower agrees that the Borrower will promptly execute any Financing Statement(s) or other instruments deemed necessary by the Trustee to prevent any filed Financing Statement from becoming misleading or losing its perfected status and also authorizes the Trustee to file any such Financing Statement(s) or other instruments without execution by the Borrower.

(c) The Borrower (or "Grantor") hereby irrevocably authorizes the Grantee at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Grantor agrees to furnish any such information to the Grantee promptly upon request. The Grantor also ratifies its authorization for the Grantee to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(d) Further to insure the attachment, perfection and first priority of, and the ability of the Grantee to enforce, the Grantee's security interest in the Collateral, the Grantor agrees, in each case at the Grantor's own expense, to take the following actions with respect to the following Collateral:

(e) If the Grantor shall at any time hold or acquire any promissory notes or tangible chattel paper, the Grantor shall forthwith endorse, assign and deliver the same to the Grantee, accompanied by such instruments of transfer or assignment duly executed in blank as the Grantee may from time to time specify.

(f) For each deposit account that the Grantor at any time opens or maintains, the Grantor shall, at the Grantee's request and option, pursuant to an agreement in form and substance satisfactory to the

Grantee, either (a) cause the depository bank to agree to comply at any time with instructions from the Grantee to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Grantor, or (b) arrange for the Grantee to become the customer of the depository bank with respect to the deposit account, with the Grantor being permitted, only with the consent of the Grantee, to exercise rights to withdraw funds from such deposit account. The Grantee agrees with the Grantor that the Grantee shall not give any such instructions or withhold any withdrawal rights from the Grantor, unless a default has occurred and is continuing under this Deed to Secure Debt, or, after giving effect to any withdrawal not otherwise permitted by the Loan Documents, would occur. The provisions of this paragraph shall not apply to (i) any deposit account for which the Grantor, the depository bank and the Grantee have entered into a cash collateral agreement specially for the specific purpose set forth therein, (ii) deposit accounts created under the Bond Indentures and (iii) deposit accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the Grantor's salaried employees.

(g) If the Grantor shall at any time hold or acquire any certificated securities, the Grantor shall forthwith endorse, assign and deliver the same to the Grantee, accompanied by such instruments of transfer or assignment duly executed in blank as the Grantee may from time to time specify. If any securities now or hereafter acquired by the Grantor are uncertificated and are issued to the Grantor or their nominee directly by the Trustee thereof, the Grantor shall immediately notify the Grantee thereof and, at the Grantee's request and option, pursuant to an agreement in form and substance satisfactory to the Grantee, either (a) cause the Trustee to agree to comply with instructions from the Grantee as to such securities, without further consent of the Grantor or such nominee, or (b) arrange for the Grantee to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by the Grantor are held by the Grantor or its nominee through a securities intermediary or commodity intermediary, the Grantor shall immediately notify the Grantee thereof and, at the Grantee's request and option, pursuant to an agreement in form and substance satisfactory to the Grantee, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Grantee to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Grantee to such commodity intermediary, in each case without further consent of the Grantor or such nominee, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Grantee to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the consent of the Grantee, to exercise rights to withdraw or otherwise deal with such investment property. The Grantee agrees with the Grantor that the Grantee shall not give any such entitlement orders or instructions or directions to any such Trustee, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by the Grantor, unless a default has occurred and is continuing under this Deed, or, after giving effect to any such investment and withdrawal rights not otherwise permitted by the Loan Documents, would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Grantee is the securities intermediary.

(h) If any goods are at any time in the possession of a bailee, the Grantor shall promptly notify the Grantee thereof and, if requested by the Grantee shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to the Grantee, that the bailee holds such Collateral for the benefit of the Grantee and shall act upon the instructions of the Grantee, without the further consent of the Grantor. The Grantee agrees with the Grantor that the Grantee shall not give any such instructions unless a default has occurred and is continuing under this Deed or would occur after taking into account any action by the Grantor with respect to the bailee.

(i) If the Grantor at any time hold or acquire an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in §16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Grantor shall promptly notify the Grantee thereof and, at the request of the

Grantee, shall take such action as the Grantee may reasonably request to vest in the Grantee control under UCC §9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Grantee agrees with the Grantor that the Grantee will arrange, pursuant to procedures satisfactory to the Grantee and so long as such procedures will not result in the Grantee's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under UCC §9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or §16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control, unless a default has occurred and is continuing under this Deed or would occur after taking into account any action by the Grantor with respect to such electronic chattel paper or transferable record.

(j) If the Grantor shall at any time hold or acquire a commercial tort claim, the Grantor shall immediately notify the Grantee in a writing signed by the Grantor of the brief details thereof and grant to the Grantee in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Deed, with such writing to be in form and substance satisfactory to the Grantee.

(k) The Grantor further agrees to take any other action reasonably requested by the Grantee to insure the attachment, perfection and first priority of, and the ability of the Grantee to enforce, the Grantee's security interest in any and all of the Collateral including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that the Grantor's signature thereon is required therefor, (b) causing the Grantee's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Grantee to enforce, the Grantee's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Grantee to enforce, the Grantee's security interest in such Collateral, (d) obtaining governmental and other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on Collateral, (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Grantee and (f) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

Section 206. Ground Lease.

The Borrower hereby represents, warrants, covenants and agrees with respect to the Ground Lease as follows:

(a) This Deed to Secure Debt has been lawfully and properly executed and delivered in conformity with the terms and provisions of the Ground Lease.

(b) Without the prior written consent of Grantee, the Borrower shall not terminate, modify, alter, amend, abrogate or otherwise change the Ground Lease, and the Borrower shall not permit or suffer or acquiesce in any termination of the Ground Lease.

(c) The Borrower shall not consent to any subordination of the Leasehold Estate to any deed conveying or encumbering any part or all of the fee simple estate in the Mortgaged Property or the Borrower's interest in the Ground Lease, except for Permitted Encumbrances.

(d) The Borrower shall not sell, assign, convey, exchange or otherwise dispose of, and shall not further encumber in any manner, the Leasehold Estate without the prior written consent of the Grantee.

(e) The Borrower shall pay, when due and payable, all rent, additional rent and other amounts payable under the Ground Lease. Upon request by Grantee, the Borrower shall deliver to Grantee proof, satisfactory to Grantee, that all items required to be paid by the Borrower under the Ground Lease have been paid when due.

(f) The Borrower shall perform, observe and comply with all terms, covenants and conditions of the Ground Lease, within the periods (exclusive of grace or cure periods) provided in the Ground Lease and shall do all things necessary to preserve, maintain and prevent any impairment of Borrower's rights under the Ground Lease.

(g) The Borrower shall immediately notify Grantee in writing of any default by the Borrower in performance, observance or compliance with any terms, covenants or conditions of the Ground Lease.

(h) The Borrower shall immediately notify Grantee in writing of any notice from the lessor under the Ground Lease, including but not limited to any notice claiming or asserting any default by the Borrower or any grounds for termination under the Ground Lease.

(i) Prior to the commencement of any arbitration proceeding pursuant to the Ground Lease, the Borrower shall notify Grantee in writing of the contemplated proceeding, and the Borrower shall deliver to Grantee a copy of the determination of the arbitrators immediately after any such proceeding. Grantee shall have the right to participate in any such arbitration proceeding, either in association with the Borrower or in its own behalf as an interested party.

(j) Within thirty (30) days after Grantee requests (which requests shall be limited to twice annually unless an Event of Default is continuing), the Borrower shall use commercially reasonable efforts to obtain from the lessor under the Ground Lease and deliver to Grantee a certificate executed by the lessor under the Ground Lease to the effect: (i) that the Ground Lease is in full force and effect and has not been modified, or, if modified, that copies of all modifications are attached to the certificate; (ii) that no notice of default, termination of any grounds for either default or termination under the Ground Lease has been given, or, if any such notice has been given, that copies are attached to the certificate; (iii) that all rent, additional rent and other amounts payable under the Ground Lease have been paid through the date of the certificate or, if not, that amounts specified in the certificate have not been paid; and (iv) that no default by the Borrower exists under the Ground Lease or, if a default does exist, that the default is described in detail in the certificate.

(k) Immediately upon request the Grantee, the Borrower shall execute and deliver to Grantee such documents, instruments, letters and other items as Grantee may deem useful or required to permit the cure of any default under the Ground Lease or to permit Grantee to take such other action as Grantee considers desirable, on behalf of the Borrower, under the Lease.

(l) The Leasehold Estate is not intended to, and shall not, merge into the fee simple estate in the land. The Leasehold Estate shall be kept and remain separate and distinct, regardless of whether the Borrower acquires the fee simple estate in the land or any part or portion thereof; provided, however, that, if the Borrower shall become the owner of the fee simple estate in the land, or any part or portion thereof, then such fee simple estate will immediately be and become subject to this Deed to Secure Debt so long as the Indebtedness, or any portion thereof, remains unpaid, and the Borrower covenants and agrees to execute and deliver such further proper and valid instruments as Grantee may deem necessary to subject such fee simple estate to this Deed to Secure Debt, and to secure the unpaid portion of the Indebtedness.

(m) If the Borrower shall either fail or refuse to pay or cause to be paid, as the same shall become due and payable, any time required to be paid under this Deed to Secure Debt or under

the Ground Lease or which the Borrower may pay to cure a default under this Deed to Secure Debt or under the Ground Lease, or if the Borrower shall either fail or refuse to do or perform any act which the Borrower is obligated to do or perform any act which the Borrower is obligated to do or perform under this Deed to Secure Debt or under the Ground Lease or which the Borrower may do or perform to cure a default under this Deed to Secure Debt under the Ground Lease, then Grantee, at Grantee's option, may make such payment or do or perform such act on behalf of the Borrower. All such payments made by Grantee and all costs and expenses incurred by Grantee in doing or performing such acts shall be and shall become part of the Indebtedness secured hereby and shall bear interest at the highest rate then being charged with respect to any part of the Indebtedness secured hereby, from the date paid or incurred by Grantee, and such interest thereon shall also be part of the Indebtedness secured hereby.

(n) The occurrence of any event of default or other failure to comply fully with any provision of the Ground Lease shall constitute an event of default under this Deed to Secure Debt. Grantee shall determine, in Grantee's reasonable judgment, whether any event of default or other failure to comply with any provision of the Ground Lease exists at any time. In the event Grantee determines that such an event of default under the Ground Lease or other failure to comply with any provision of the Ground Lease exists, Grantee may, at Grantee's election at any time thereafter, take any such action, advance or pay any money or perform any act which Grantee considers necessary or appropriate to relieve or to cure any such event of default or failure, and all money so advanced or paid and all expenses incurred by Grantee in connection with any such action or performance shall become part of the Indebtedness, shall be secured by this Deed to Secure Debt, shall be payable by the Borrower to Grantee upon demand by Grantee and shall bear interest from the date advanced, paid or incurred at the highest rate per annum then being charged with respect to any part of the Indebtedness.

(o) All provisions of this Deed to Secure Debt related to the Ground Lease are in addition to and cumulative with all other provisions of this Deed to Secure Debt and are not intended to be in conflict with any other provisions of this Deed to Secure Debt.

[End of Article II]

ARTICLE III

REMEDIES UPON EVENT OF DEFAULT

Section 301. Remedies Upon Event of Default.

If an Event of Default as defined in Section 101 of this Deed to Secure Debt shall occur and is continuing, the Trustee shall have the right and option to enforce this Deed to Secure Debt by exercising any or all of the following remedies, or any or all other remedies then provided by law or in equity:

(a) The Trustee may proceed to protect and enforce its rights under this Deed to Secure Debt by suit in equity, action at law, or other appropriate proceedings, including actions for the specific performance of any covenant or agreement contained in this Deed to Secure Debt or in aid of the exercise of any power granted in this Deed to Secure Debt, or may proceed in any other manner to enforce the payment of the Indebtedness and any other legal or equitable right of the Trustee.

(b) The Borrower, upon the demand of the Trustee, shall forthwith surrender the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, with or without force or process of law, to enter and take possession of, and exclude the Borrower and their agents and servants wholly from, all or any part of the Mortgaged Property together with the books, papers, and accounts of the Borrower pertaining thereto, without the appointment of a receiver, or an application therefor, and to hold, operate, store, use, control, and manage the same and conduct the business thereof and from time to time make all necessary and proper repairs, maintenance, renewals, restorations, and replacements and procure all necessary and proper insurance as desired by the Trustee; and the Trustee may lease the Mortgaged Property or any part thereof in the name and for the account of the Borrower and collect, receive, and sequester the rents, revenues, issues, earnings, income, products, and profits therefrom and, out of the same and any moneys received from any receiver of any part thereof, pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding, and managing the same, including reasonable compensation to the Trustee and its agents and counsel and for any charges of the Trustee hereunder, any taxes and assessments and other charges prior to the lien and security title of this Deed to Secure Debt which the Trustee elects to pay, and all expenses of such maintenance and repairs of the Mortgaged Property and apply the remainder of the moneys so received in accordance with the provisions of Section 303 hereof. Whenever all that is presently due upon the Indebtedness shall have been paid and all defaults have been made good, the Trustee shall surrender possession to the Borrower, the same rights of entry provided in this Section 301(b), however, to exist upon any subsequent Event of Default.

(c) The Trustee shall have the right to sell the Mortgaged Property or any part of the Mortgaged Property at public sale or sales before the door of the courthouse of the County to the highest bidder for cash, in order to pay the Indebtedness secured hereby and accrued interest thereon and insurance premiums, liens, fines, assessments, taxes, and charges, including utility charges, if any, with accrued interest thereon, all as provided hereinabove, and all expenses of the sale and of all proceedings in connection therewith, including reasonable attorneys' fees, after advertising the time, place, and terms of sale once a week for four (4) weeks immediately preceding such sale (but without regard to the number of days) in a newspaper in which sheriff's sales are advertised in the County. At any such sale, the Trustee may execute and deliver to the purchaser a conveyance of the Mortgaged Property or any part of the Mortgaged Property in fee simple, with full warranties of title and to this end, the Borrower hereby constitutes and appoints the Trustee the agent and attorney-in-fact of the Borrower to make such sale and conveyance, and thereby to divest the Borrower of all right, title, or equity that the Borrower may have in and to the Mortgaged Property and to vest the same in the purchaser or purchasers at such sale or sales, and all the acts and doings of said agents and attorneys-in-fact are hereby ratified and confirmed and any recitals in said conveyance or conveyances as to facts essential to a valid sale shall be binding upon the Borrower. The aforesaid power of sale and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, are granted as cumulative of the other remedies provided hereby or by law for collection of the Indebtedness, and shall

not be exhausted by one exercise thereof but may be exercised until full payment of the Indebtedness. The Mortgaged Property or any part thereof may be sold as an entirety or in separate lots, units or parcels in such manner and order as the Trustee may elect and one or more exercises of the remedies herein granted shall not extinguish or exhaust such remedies unless the entire Mortgaged Property is sold or the Indebtedness is paid in full. The entire right, title, interest, claim, and demand, legal and equitable, of the Borrower in the property sold shall be completely divested by such sale, and the same shall be a perpetual legal and equitable bar to any claim by the Borrower thereto. The Borrower, however, if and when requested, will execute and deliver to the purchaser such proper instruments as may be requested in further assurance of the title acquired by the purchaser in such sale. The purchaser, upon paying the purchase money to the account of the Trustee and receiving his receipt therefor, need not inquire into the authorization, necessity, expediency, or regularity of the sale and need not see to or in any way be responsible for the application by the Trustee of any part of the purchase money. The Borrower further agrees that in case of any sale hereunder, it shall at once surrender possession of the Mortgaged Property and shall from that moment become and be the tenant at will of the buyer, and may be evicted by appropriate judicial process, and hereby agrees to pay such buyer the reasonable rental value of the Mortgaged Property after such sale plus all expenses, including legal fees, incurred by the buyer.

(d) The Trustee may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all rights and remedies permitted under the Indenture or otherwise permitted in law or in equity, to protect and dispose of the Collateral and to protect its rights to payment under the Indenture and the Series 2025 Note, and all the rights and remedies of a secured party on default under the U.C.C. (whether or not the U.C.C. applies to the affected Collateral) and also may (i) require the Borrower to, and the Borrower hereby agrees that it will at its own expense and upon the request of the Trustee forthwith, gather or assemble all or part of the Collateral not in the possession of the Trustee as directed by the Trustee and make it available to the Trustee at a place to be designated by the Trustee which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Trustee's offices or elsewhere, for cash, or credit, or for future delivery, and at such price or prices and upon such other terms as the Trustee may deem commercially reasonable. The Borrower agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Trustee shall not be obligated to make any sale of any Collateral, regardless of notice of sale having been given. The Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(e) Nothing herein shall limit the Trustee from exercising any and all other remedies available to it at law or in equity.

Section 302. Appointment of Receivers.

(a) If an Event of Default occurs and is continuing, a receivership may be necessary to protect the Mortgaged Property, whether before or after maturity of the Indebtedness, or at the time of or after the institution of suit to collect the principal of, premium (if any), or interest on the Indebtedness, or to enforce this Deed to Secure Debt; accordingly, upon the occurrence and continuation of an Event of Default, the Trustee shall, as a matter of strict right and regardless of the value of the Mortgaged Property or of the solvency of any party bound for the payment of the Indebtedness, have the right to the appointment on *ex parte* application and without notice to the Borrower, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect, and operate the Mortgaged Property and any business or businesses located thereon, to collect the revenues, rents, issues, profits, products, and income thereof, to make all necessary and needed repairs, to complete the construction of any improvements which have been undertaken but not completed, to pay all taxes and assessments against the Mortgaged Property and insurance premiums for insurance thereon, and after the payment of the expenses of the receivership,

including reasonable attorneys' fees to the Trustee's attorney, and after compensation for management of the Mortgaged Property, to apply the net proceeds to pay the Indebtedness or in such manner as the court shall direct. All such expenses shall be secured by the lien and security title of this Deed to Secure Debt until paid.

(b) The receiver or its agents shall be entitled to enter upon and take possession of any part and all of the Mortgaged Property, together with any and all businesses conducted and all business assets used therewith or thereon, or any part or parts thereof, and to operate and conduct the business or businesses, or complete construction of improvements, to the same extent and in the same manner as the Borrower might lawfully do. The receiver, personally or through its agents or attorneys, may exclude the Borrower and its subsidiaries, agents, servants, and employees wholly from the Mortgaged Property and may have, hold, use, operate, manage, and control the same and each and every part thereof, and in the name of the Borrower, its subsidiaries or agents, may exercise all of their rights and powers and use all of the then existing items of security and collateral, materials, current supplies, stores, and assets and, at the expense of the Mortgaged Property, may maintain, restore, complete construction, insure, and keep insured the properties, equipment, and apparatus provided or required for use in connection with such business or businesses, and may make all necessary and proper repairs, renewals, and replacements and all such useful alterations, additions, betterments, and improvements as the receiver may deem judicious.

(c) Such receivership shall, at the option of the Trustee, continue until full payment of the Indebtedness, title to and interest in the Mortgaged Property having passed by public sale under this Deed to Secure Debt, or the Event of Default having been cured.

Section 303. Application of Proceeds.

The Trustee shall pay, distribute, and apply the proceeds of any disposition of the Mortgaged Property pursuant to Section 1006 of the Indenture. Said disposition shall forever be a bar against the Borrower, its legal representatives, successors and assigns, and all other persons claiming under any of them. It is expressly agreed that the recitals in each conveyance to the purchaser shall be full evidence of the truth of the matters therein stated, and all lawful prerequisites to said disposition shall be conclusively presumed to have been performed.

Section 304. Remedies Not Exclusive.

No lien, right, or remedy herein conferred upon or otherwise available to the Trustee is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to every other lien, right, or remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the Indebtedness shall not operate to prejudice, waive, or affect the security of this Deed to Secure Debt or any rights, powers, or remedies hereunder, nor shall the Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantees.

Section 305. Abandonment of Sale; Termination of Proceedings.

(a) If public sale of the Mortgaged Property should be commenced by the Trustee, it may at any time before the sale abandon the sale, and may at any time or times thereafter again commence public sale; or, irrespective of whether public sale is or was commenced by the Trustee, it may at any time after

an Event of Default as defined in Section 101 of this Deed to Secure Debt institute suit for collection of all or any part of the Indebtedness or sell the Mortgaged Property or both. If the Trustee should institute suit for collection of the Indebtedness, the Trustee may at any time before the entry of final judgment dismiss the same without prejudice to the rights of the Trustee hereunder.

(b) In case the Trustee shall have proceeded to enforce any right under this Deed to Secure Debt by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Borrower and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Trustee shall continue unimpaired as if no such proceedings had been taken.

Section 306. Non-Extinguishment of Lien.

No public sale of the Mortgaged Property shall extinguish, impair, or affect the lien and security title under this Deed to Secure Debt except with respect to the items of property sold, but such lien and security title shall exist for so long as, and may be exercised in any manner by law or in this instrument provided as often as, the circumstances require to give the Trustee full relief hereunder.

Section 307. Right to Purchase.

The Trustee shall have the right to become the purchaser at any sale made hereunder, by being the highest bidder, and credit upon all or any part of the Indebtedness shall be deemed cash paid for the purposes of this Article.

Section 308. Waivers.

(a) All rights of division and discussion and marshalling of assets or sale in inverse order of alienation in the event of public sale of the Mortgaged Property or any part thereof (including, but not limited to, the lien hereby created) are hereby waived.

(b) The Borrower agrees, to the full extent permitted by law, that in case of an Event of Default hereunder, neither the Borrower nor anyone claiming through or under it shall set up, claim, or seek to take advantage of any appraisal rights, valuation, stay, extension, homestead, dower, elective share, exemption, or redemption laws, statutory or otherwise, now or hereafter in force, in order to prevent or hinder the enforcement of this Deed to Secure Debt, or the absolute sale of the Mortgaged Property, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and the Borrower, for itself and all who may at any time claim through or under it, hereby waive and release to the full extent that it may lawfully do so, the benefit of all such laws.

(c) To the extent allowed by applicable law, the Borrower shall not at any time insist upon or plead or in any manner whatever claim or take the benefit or advantage of any stay or extension law or any law exempting the Mortgaged Property from attachment, levy, or sale on execution now or at any time hereafter in force in any locality where the Mortgaged Property or any part thereof may or shall be situated, and the Borrower hereby expressly waives all benefit and advantage of any such law or laws and covenants that the Borrower will not hinder, obstruct, delay, or impede the execution of any power herein granted and delegated to the Trustee, but that the Borrower will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

(d) BY EXECUTION OF THIS DEED TO SECURE DEBT, THE BORROWER EXPRESSLY: (A) ACKNOWLEDGES THE RIGHT OF THE TRUSTEE, IN THE EVENT THE PRINCIPAL OF THE BONDS HAS BEEN ACCELERATED PURSUANT TO THE PROVISIONS OF THE INDENTURE, TO ACCELERATE THE BORROWER'S PAYMENT OBLIGATIONS UNDER THE INDENTURE AND THE SERIES 2025 NOTE, AND THE POWER OF ATTORNEY GIVEN

HEREIN TO THE TRUSTEE TO SELL THE MORTGAGED PROPERTY BY NON-JUDICIAL PUBLIC SALE UPON DEFAULT BY THE BORROWER WITHOUT ANY JUDICIAL HEARING AND WITHOUT ANY NOTICE OTHER THAN THE NOTICE REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS DEED TO SECURE DEBT; (B) WAIVES ANY AN ALL RIGHTS WHICH THE BORROWER MAY HAVE UNDER THE CONSTITUTION OF THE UNITED STATES OF AMERICA (INCLUDING THE FIFTH AND FOURTEENTH AMENDMENTS THEREOF), THE VARIOUS PROVISIONS OF THE CONSTITUTIONS OF THE SEVERAL STATES, OR BY REASON OF ANY APPLICABLE LAW, TO NOTICE AND TO JUDICIAL HEARING PRIOR TO THE EXERCISE BY THE TRUSTEE OF ANY RIGHT OR REMEDY HEREIN PROVIDED EXCEPT SUCH NOTICE (IF ANY) AS IS SPECIFICALLY REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS DEED TO SECURE DEBT; (C) ACKNOWLEDGES THAT THE BORROWER HAS READ THIS DEED TO SECURE DEBT AND ITS PROVISIONS HAVE BEEN EXPLAINED FULLY TO THE BORROWER, AND THE BORROWER HAS CONSULTED WITH COUNSEL OF THE BORROWER'S CHOICE PRIOR TO EXECUTING THIS DEED TO SECURE DEBT; AND (D) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS OF THE BORROWER HAVE BEEN MADE KNOWINGLY, INTENTIONALLY, AND WILLINGLY BY THE BORROWER AS PART OF A BARGAINED-FOR TRANSACTION.

[End of Article III]

ARTICLE IV

DAMAGE, DESTRUCTION, AND CONDEMNATION

All moneys and awards payable either as damages or compensation for any damage or destruction to or for the taking of title or possession of the Mortgaged Property by reason of any condemnation or eminent domain proceedings shall be paid and applied as provided in Article VII of the Agreement.

[End of Article IV]

ARTICLE V

ASSIGNMENT OF LEASES AND RENTS

Section 501. Assignment of Leases and Rents.

In order to secure its obligations under the Indenture and Note, the Borrower hereby sells, transfers, and assigns to the Trustee all leases of all or part of the Mortgaged Property, now existing or hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees' obligations under any thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, service, maintenance, or warranty contracts, and other contracts, licenses, and permits now or hereafter affecting the Mortgaged Property or any part thereof and rights under trade names, patents, or copyrights that are subject to use in connection with the Mortgaged Property or the Borrower's business or other activities with regard thereto.

Section 502. Modification or Cancellation of Leases; No Assumption.

The Borrower shall not modify, terminate, or cancel or suffer or permit the modification, termination, or cancellation of any of the leases assigned hereunder without the prior written consent of the Trustee. The Trustee does not assume, and shall not be liable in respect of, any obligation of the landlord or lessor under any of said leases.

Section 502. Collections.

The transfer of the rents from the Mortgaged Property made in this Deed to Secure Debt is specific in nature and irrevocable, and the Borrower hereby appoints the Trustee as the Borrower's attorney to collect said rents with or without suit, and to apply the same in the manner provided in the Indenture; provided, however, that so long as no Event of Default has occurred and is continuing, the Borrower may collect, retain, use, and enjoy the currently accruing rents from the Mortgaged Property but in no event may the Borrower collect any such rents more than one (1) month in advance of the time that the same will be earned. However, should any Event of Default occur and be continuing, the Trustee may, personally or through an agent selected by the Trustee, enter upon and take possession and control of the Mortgaged Property, or any part thereof, serve notice of the assignment of any leases, and demand, sue for, receive, collect, and give full acquittance for all rents theretofore accrued and all thereafter accruing therefrom so long as any of the Indebtedness remains unpaid or until the sale of the Mortgaged Property, depositing so much thereof as may be collected prior to public sale of the Mortgaged Property with the Trustee to be held and applied pursuant to Section 1006 of the Indenture. The Trustee or the Trustee's agent may use against the Borrower or any other person such lawful or peaceable means as the person acting may see fit to enforce the collection of any such rents and to secure possession of the Mortgaged Property, or any part thereof, and may settle or compromise, on any terms as the Trustee or the Trustee's agent sees fit, the liability of any person or persons for any such rents; and particularly, the Trustee or the Trustee's agent may institute and prosecute to final conclusion actions of forcible entry and detainer, or actions of trespass to try title, or actions for damages, or any other appropriate actions, in the name of the Trustee or in the name of the Borrower, and may settle, compromise, or abandon any such actions as the Trustee or the Trustee's agent may see fit; and each of the Borrower binds itself and all persons and concerns claiming by, through, or under the Borrower to take whatever lawful or peaceful steps the Trustee or the Trustee's agent may ask the Borrower or any such person or concern so claiming to take for such purposes, including the institution and prosecution of actions of the character above stated; provided, however, that the Trustee shall not be required to collect any such rents or income or be liable or chargeable for failure so to do. The Borrower hereby authorizes and directs any lessee or occupant of the Mortgaged Property, on receipt from the Trustee of written notice to the effect that it is the then holder of the Series 2025 Note and that an Event of Default

exists hereunder, to pay over to the Trustee all rents arising or accruing from any leases affecting the Mortgaged Property, and to continue to do so until otherwise notified by the Trustee.

Section 503. Future Leases.

The Borrower shall not hereafter enter into any lease, tenant contract, rental agreement, franchise agreement, management contract, or other contract, license, or permit creating a real property interest in the Mortgaged Property, or any part thereof, without complying with the following conditions: (i) each such instrument shall contain a provision that the rights of the parties thereunder are expressly subordinate to all of the rights of the Trustee under this Deed to Secure Debt; (ii) each such instrument shall contain a provision whereby the parties thereunder expressly recognize and agree that, notwithstanding such subordination, the Trustee may sell the Mortgaged Property in the manner provided in this Deed to Secure Debt and thereby, at the option of the Trustee, sell the same subject to such instrument; and (iii) at or prior to the time of execution of any such instrument, the Borrower shall, as a condition to such execution, procure from the other party or parties thereto an agreement in favor of the Trustee, in form and substance satisfactory to the Trustee, under which such party or parties agree to be bound by the provisions of this Deed to Secure Debt regarding the manner in which the Trustee may sell the Mortgaged Property under this Deed to Secure Debt.

[End of Article V]

ARTICLE VI

FIXTURE FILING

(a) THIS INSTRUMENT SERVES AS A FIXTURE FILING UNDER THE GEORGIA UNIFORM COMMERCIAL CODE PURSUANT TO O.C.G.A. § 11-9-502. GRANTEE DESIRES THIS FIXTURE FILING TO BE INDEXED AGAINST THE RECORD OWNER OF THE MORTGAGED PROPERTY DESCRIBED HEREIN.

(b) From the date of its recording, this Instrument shall be effective as a “fixture filing” for the purposes of O.C.G.A. § 11-9-502 with respect to all of the Mortgaged Property which is or is to become fixtures. The addresses of Borrower (Debtor) and Lender (Secured Party) are set forth below. This Instrument is to be filed for recording with the Clerk of Superior Court of any county or counties where the Land (including such fixtures) is located. For this purpose, the following information is set forth:

- (i) Name and Address of Debtor: KSU 2024 Housing Real Estate Foundation, LLP
c/o Kennesaw State University
Foundation, Inc.
1000 Chastain Road
Kennesaw, Georgia 30144
Attention: President
- (ii) Name and Address of Secured Party: Wilmington Trust, National Association
99 Wood Avenue South, 10th Floor
Iselin, New Jersey 08830
Attention: Brooks Von Arx, Jr.
- (iii) This document covers any portion of the Mortgaged Property now is or later may become a fixture attached to the Land.
- (iv) The record owner of the Mortgaged Property is the Board of Regents of the University System of Georgia. The Debtor has a leasehold interest in the Mortgaged Property.

ATTACHED EXHIBITS.

The following Exhibits are attached to this Instrument:

- Exhibit A Description of the Land (required).
- Exhibit B Permitted Encumbrances

[End of Article VI]

ARTICLE VII

MISCELLANEOUS

Section 701. Discharge.

When all of the Indebtedness shall have been paid or deemed to have been paid pursuant to the provisions of the Indenture, and provision shall also be made for paying all other sums payable under the Indenture, then this Deed to Secure Debt and the lien and security title created hereby shall be canceled and surrendered, and the Borrower shall be released from the covenants, agreements, and obligations of the Borrower contained in this Deed to Secure Debt, and the Trustee, at the request and the expense of the Borrower, shall execute such documents as may be reasonably requested by the Borrower to evidence the cancellation and satisfaction of this Deed to Secure Debt and the release of the Borrower from its obligations hereunder. Otherwise, this Deed to Secure Debt shall remain and continue in full force and effect.

Section 702. No Waiver.

The exercise of the privileges granted to the Trustee in this Deed to Secure Debt to perform the Borrower's obligations under this Deed to Secure Debt shall in no event be considered or constitute a waiver of the right of the Trustee at any time after default hereunder to declare the Indebtedness to be at once due and payable, but is cumulative of such right and of all other rights given by this instrument, all mortgages, security instruments, guarantees, and other instruments now or hereafter executed by (or accepted by the Borrower as binding upon) the Borrower, and of all rights given the Trustee by law.

Section 703. Extension, Rearrangement, or Renewal of Indebtedness.

It is expressly agreed that any of the Indebtedness at any time secured hereby may be from time to time extended for any period, rearranged, or renewed, and that any part of the security herein described, or any other security for the Indebtedness, may be waived or released without in anywise altering, varying, or diminishing the force, effect, or lien, interest, and security title of this Deed to Secure Debt as to unaffected property; and the lien and security title granted by this Deed to Secure Debt shall continue as a prior lien and security title on all of the Mortgaged Property not expressly so released, until all sums with interest and charges hereby secured are fully paid; and no other security now existing or hereafter taken to secure the payment of the Indebtedness or any part thereof or the performance of any obligation or liability whatever shall in any manner impair or affect the security given by this Deed to Secure Debt; and all security for the payment of the Indebtedness or any part thereof and the performance of any obligation or liability shall be taken, considered, and held as cumulative.

Section 704. Tenants at Will.

The Borrower agrees for itself and any and all persons or concerns claiming by, through, or under the Borrower, that if the Borrower shall hold possession of the Mortgaged Property or any part thereof subsequent to public sale hereunder, the Borrower, or the parties so holding possession, shall become and be considered as tenants at will of the purchaser or purchasers at such public sale; and any such tenant failing or refusing to surrender possession upon demand shall be guilty of forcible detainer and shall be liable to such purchaser or purchasers for reasonable rental on said premises, and shall be subject to eviction and removal, forcible or otherwise, with process of law, all damages which may be sustained by any such tenant as a result thereof being hereby expressly waived.

Section 705. Notice.

Except where other notice is required by applicable law, all notices, requests, demands, directions, and other communications hereunder shall be in writing and shall be deemed to be sufficiently given or made when delivered personally to any party who is to receive the same or when sent by the method

described in Section 1404 of the Indenture, addressed as provided in Section 610 of this Deed to Secure Debt and shall be deemed delivered in accordance with Section 1404 of the Indenture.

Section 706. Severability.

In the event any item, term, or provision contained in this Deed to Secure Debt is in conflict, or may hereafter be held to be in conflict, with the laws of the State of Georgia, this Deed to Secure Debt shall be affected only as to such particular item, term, or provision, and shall in all other respects remain in full force and effect. In the event that any part of the Indebtedness cannot lawfully be secured hereby, or in the event that the lien and security title hereof cannot be lawfully enforced to pay any part of the Indebtedness, or in the event that the lien and security title created by this Deed to Secure Debt shall be invalid or unenforceable as to any part of the Indebtedness, then, and in any such event, all payments on the Indebtedness shall be deemed to have been first applied to the complete payment and liquidation of that part of the Indebtedness which is not secured by this Deed to Secure Debt, and the unsecured portion of the Indebtedness shall be completely paid and liquidated prior to the payment and liquidation of the remaining and secured portion of the Indebtedness.

Section 707. Governing Law.

This Deed to Secure Debt shall be governed, in all respects including validity, interpretation, and effect, by and shall be enforceable in accordance with the laws of the State.

Section 708. Amendments.

No amendment or waiver of any provision of this Deed to Secure Debt, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same is in writing and signed by the Borrower and the Trustee and is accomplished in accordance with the Indenture, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 709. Assignment.

This Deed to Secure Debt shall be binding upon the Borrower and its successors and assigns and shall inure to the benefit of the Trustee and its respective successors, transferees, and assigns, and no person other than the Trustee and its assigns shall under any circumstances be deemed to be a beneficiary of any provision of this Deed to Secure Debt.

Section 710. Addresses.

The addresses of the Borrower and the Trustee are as follows:

To the Borrower to: KSU 2024 Housing Real Estate Foundation, LLC
c/o Kennesaw State University Foundation, Inc.
1000 Chastain Road, MD 9101
Kennesaw, Georgia 30144
Attention: Chief Financial Officer
Facsimile: (770) 423-6877

If to the Trustee: Wilmington Trust, National Association
99 Wood Avenue South
10th Floor
Iselin, New Jersey 08830
Attention: Corporate Trust Department
Facsimile: (732) 503-6065

The addresses set forth above may be changed as provided in Section 1404 of the Indenture.

Section 711. Future Advances.

This Deed to Secure Debt shall secure not only existing indebtedness, but such future advances and additional indebtedness to the Borrower, and any notes evidencing the same, whether such advances or indebtedness is obligatory or made at the option of the Issuer, or otherwise, to the extent as if such future advances or indebtedness was made on the date of the execution of this Deed to Secure Debt.

[End of Article VI]

SIGNATURE

IN WITNESS WHEREOF, the Borrower has executed this Deed to Secure Debt under seal by causing its name to be hereunto subscribed by the President of the limited liability company, all as of the day and year first above written.

Signed, sealed and delivered
In the presence of:

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

Unofficial Witness

By: _____
Lance Burchett, President

Notary Public

Commission Expiration Date:

[AFFIX NOTARIAL SEAL]

EXHIBIT A

DESCRIPTION OF PREMISES

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 97, 20TH DISTRICT, 2ND SECTION, COBB COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A "PK" NAIL SET AT THE INTERSECTION OF THE CENTERLINE OF MARIETTA DRIVE AND PAULDING AVENUE SOUTH 40 DEGREES 47 MINUTES 06 SECONDS EAST A DISTANCE OF 645.18 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING.

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 176.79 FEET TO COMPUTED POINT; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE 146.59 FEET TO A COMPUTED POINT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 4.70 FEET TO A COMPUTED POINT; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 6.23 FEET TO A COMPUTED POINT; THENCE SOUTH 15 DEGREES 09 MINUTES 31 SECONDS EAST A DISTANCE OF 30.36 FEET TO A COMPUTED POINT; THENCE SOUTH 75 DEGREES 02 MINUTES 46 SECONDS WEST A DISTANCE OF 91.77 FEET TO A COMPUTED POINT; THENCE NORTH 15 DEGREES 07 MINUTES 26 SECONDS WEST A DISTANCE OF 11.48 FEET TO A COMPUTED POINT; THENCE SOUTH 74 DEGREES 50 MINUTES 13 SECONDS WEST A DISTANCE OF 11.08 FEET TO A COMPUTED POINT; THENCE NORTH 15 DEGREES 08 MINUTES 10 SECONDS WEST A DISTANCE OF 47.93 FEET TO A COMPUTED POINT; THENCE NORTH 75 DEGREES 00 MINUTES 54 SECONDS EAST A DISTANCE OF 49.52 FEET TO A COMPUTED POINT; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 74.76 FEET TO A COMPUTED POINT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 45.40 FEET TO A COMPUTED POINT; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 1.00 FEET TO A COMPUTED POINT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 13.80 FEET TO A COMPUTED POINT; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 17.30 FEET TO A COMPUTED POINT; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 53.80 FEET TO A COMPUTED POINT; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 45.00 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING.

SAID TRACT OR PARCEL CONTAINS 0.47 ACRES (20715.75 SQUARE FEET) MORE OR LESS.

UTILITY AND COMMUNICATION EASEMENTS:

A non-exclusive easement on, over, across and through Lessor's property located adjacent to the Premises, including all existing lines and facilities located therein, for water, sewer (both storm and sanitary), electrical, telephone, electronic and other communication facilities, television, internet, chilled water and other such utilities and facilities, and to connect to those of Lessor or of any governmental authority or

utility provider located therein, currently available or available in the future to the Premises. The Lessee shall pay the cost of extending any such utility lines to the Premises and the cost of usage of any such utility services. In addition, Lessor grants to Lessee a non-exclusive easement over Lessor's property located adjacent to the Premises to install electronic data and communication lines and transformers in such locations as may be approved by the Lessor, such approval not to be unreasonably withheld. The non-exclusive easements herein granted shall expire automatically upon the expiration or earlier termination of this Ground Lease.

INGRESS/EGRESS EASEMENTS:

A non-exclusive easement over and across all existing and future walkways and designated roads and drives located adjacent to the Premises for vehicular and pedestrian ingress and egress to and from the Premises out to Kennesaw State University Road.

PARKING EASEMENTS:

A non-exclusive easement for walking and driving vehicles upon, over and across, and parking vehicles upon the designated parking area that Lessor designates for the intended use of the Premises and subject to such reasonable fees and regulations as Lessor may impose.

ACCESS AND MAINTENANCE EASEMENT:

A non-exclusive easement on, over, across and through the land located immediately adjacent to the Premises for necessary maintenance and repairs to the Improvements, as needed including, but not limited to the asphalt and concrete area leading thereto from the access road and Kennesaw State University Road.

EXHIBIT B

PERMITTED ENCUMBRANCES

(i) The Liens created for ad valorem taxes, special assessments and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with Section 3.08 of the Loan Agreement;

(ii) Liens arising by reason of good faith deposits with the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other governmental or public utility charges;

(iii) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or anybody created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition of the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, employee benefit plans or pension or profit sharing plans or other social security programs, or to share in the privileges or benefits required for companies participating in such arrangements;

(iv) Any judgment lien against the Borrower so long as such judgment is being contested and execution thereon is stayed;

(v) (A) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property; (B) any liens on any Property for taxes, assessments, levies, fees, water and sewer rents; and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to which liens of mechanics, materialmen, laborers, suppliers or vendors have been due for less than ninety (90) days; (C) easements, rights-of-ways, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the value thereof; (D) rights reserved to or vested in any municipality or public authority to control or regulate any Property or to use such Property in any manner; and (E) to the extent that it affects title to any Property and the Indenture;

(vi) Liens or Property received by the Borrower through gifts, grants or bequests, such Liens being due to restrictions imposed by the donor, grantor or testator on such gifts, grants or bequests of Property or the income thereon;

(vii) The Lien on the Revenues of the Borrower granted pursuant to the Indenture for the benefit and security of all Note issued under the Indenture;

(ix) Terms and conditions of the Ground Lease by and between the Board of Regents of the University System of Georgia and KSU 2024 Housing Real Estate Foundation, LLC, dated as of April 1, 2025.

EXHIBIT C

SCHEDULE 1

DEBTOR: KSU 2024 Housing Real Estate Foundation, LLC
c/o Kennesaw State University Foundation, Inc.
1000 Chastain Road, MD 9101
Kennesaw, Georgia 30144
Attention: Chief Financial Officer
Facsimile: (770) 423-6877

Structure: a Georgia limited liability company

KSU 2024 Housing Real Estate Foundation, LLC has been using or operating under said name and identity of company structure without change since February 21, 2024.

SCHEDULE 2

SECURED PARTY: Wilmington Trust, National Association
99 Wood Avenue South
10th Floor
Iselin, New Jersey 08830
Attention: Corporate Trust Department
Facsimile: (732) 503-6065

APPENDIX B

**FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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ANNUAL FINANCIAL REPORT 2024

Including Independent Auditor's Report



KENNESAW STATE UNIVERSITY
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INTRODUCTION



**KENNESAW
STATE UNIVERSITY**

KENNESAW, GEORGIA



Message from the President

I am grateful to present Kennesaw State University's Annual Financial Report for Fiscal Year 2024, which reflects KSU's strategic financial progress and allocations over the past year. Consistent growth in enrollment continues to contribute to KSU's positive financial health by positively impacting tuition, fees, auxiliary, and state-appropriated funding. We are proud to have received an "Award of Distinction for Excellent Financial Reporting," from the Georgia Department of Audits and Accounts. It signifies KSU's eighth consecutive annual commendation and recognizes our ongoing commitment and dedication to excellence in financial reporting, controls, and transparency.

KSU benefits from enrollment growth at both the undergraduate and graduate levels, with an expected first-time freshman class of over 9,500 (a >10% increase) and total enrollment expected to exceed 47,500 (a >5% increase), matriculating in Fall 2024.

Our students remain at the heart of our mission, and we are committed to not only challenging them academically, but also ensuring they thrive. An emphasis on learning outcomes, retention, and progression includes hiring new faculty to meet increasing course demand and launching block scheduling for entering freshmen in Fall 2024, while simultaneously advancing digital instruction, learning analytics, and workforce-aligned degree programs. These advancements complement KSU's holistic student success efforts, including our Flight28 initiative for first-time freshmen and our "You Matter - Wellbeing@KSU" campaign, among others. These student-centered initiatives serve to strengthen students' connection to KSU and positively impact their educational experience on the path to graduation.

As an R2 institution, research is a core component of KSU's mission. In FY24, KSU faculty and staff earned more than 171 external funding grants and contracts, totaling more than \$20.5 million from the National Science Foundation, the Health Resources & Services Administration, and the National Institutes of Health.

With the support of the University System of Georgia (USG) and the Board of Regents, KSU is offering new degree programs that address emerging workforce needs, growing our research infrastructure, and enhancing our teaching and athletics facilities.

- A new degree program in artificial intelligence will enroll its first class in Fall 2024.
- Construction has begun on the new I-STEM building, a \$60 million research and academic facility on the Marietta campus.
- Renovations are completed on the Crawford Lab Building, constructed in 1962, including enhanced research and teaching spaces for the sciences, engineering, and architecture.
- A \$12.5 million renovation of the baseball stadium on the Kennesaw campus is underway as the Owls debut on the national competitive stage in Conference USA.



The university advancement office continues to provide strong leadership in engagement, fundraising, and stewardship. In FY24, KSU doubled our alumni donors and now has the largest number of alumni donors in school history. Further, we entered the public phase of the Campaign for KSU and raised our initial campaign goal from \$125 million to \$200 million. And according to the most recent endowment growth report from the National Association of College & University Business Officers (NACUBO), the KSU Foundation scored in the top 5 percent nationally in annual endowment growth with a 19.1 percent increase in value.

These milestones, and many others, are a testament to KSU's growing reputation and impact. This is truly an exciting moment in KSU's history, and the perfect time to launch our new strategic plan. KSU is serving more students than ever before, proudly serving our communities and the State of Georgia, and emerging as a top public research institution in the nation.

With our new plan, we are setting our sights even higher and are as committed as ever to academic excellence, innovative research, strong community partnerships, economic opportunity, and operational effectiveness. Kennesaw State University is well-positioned for continued growth in the new fiscal year and will continue our commitment to pursuing excellence in financial reporting and to ensuring appropriate controls in all financial processes and systems.

We offer our sincerest thanks for the support and guidance of the University System of Georgia, the Georgia General Assembly, and the Governor's Office.

Sincerely,

A handwritten signature in cursive script that reads 'Kathy S. Schwaig'.

Kathy S. Schwaig
President



Letter of Transmittal

August 15, 2024

To: Dr. Kathy Schwaig,
President
Kennesaw State University

The Annual Financial Report (AFR) for Kennesaw State University includes the financial statements for the year ended June 30, 2024, as well as other useful information to help ensure the Institution's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institution's financial position as a result of operations for the fiscal year ended June 30, 2024.

Kennesaw State University management is responsible for the accuracy of this information and for the completeness and fairness of its presentation, including all disclosures. We believe the information is accurate and fairly presents the Institution's financial position, revenues, expenses and other changes in net position.

The University's financial records are included in the University System of Georgia's financial report, which is audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the University's management. The audit of the University's financial assistance programs is performed by the DOAA in conjunction with the statewide Single Audit.

Sincerely,

Aaron D. Howell, CPA
Chief Financial Officer





DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Dr. Kathy Schwaig, President
Kennesaw State University

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, discretely presented component unit, and fiduciary activities of the Kennesaw State University (University), a unit of the University System of Georgia, which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, discretely presented component unit, and fiduciary activities of the University as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the discretely presented component unit were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The other auditors audited the financial statements of the discretely presented component unit in accordance with GAAS but not in accordance with *Government Auditing Standards*.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only those portions of the business-type activities, discretely presented component unit, and fiduciary activities of the State of Georgia that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2024, the changes in its financial position or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

December 18, 2024

KENNESAW STATE UNIVERSITY

Management’s Discussion and Analysis

Introduction

Kennesaw State University (University) is one of the 26 institutions of higher education of the University System of Georgia (USG). The University, offering instruction on campuses in Kennesaw and Marietta, Georgia, was founded in 1963 and has nationally ranked degrees in business, engineering, and first-year programs, as well as premier teaching, nursing, architecture, science, and math programs. This broad range of educational opportunities attracts a highly qualified faculty and a student body exceeding 45,000 students in the fall of fiscal year 2024, making it the third largest Institution in the USG. The University had a 4.4% increase in enrollment which exceeded the average for comprehensive universities in Georgia. Comparison numbers follow:

	STUDENT HEADCOUNT	STUDENT FTE
FY 2024	45,152	40,357
FY 2023	43,268	38,575
FY 2022	42,983	38,292

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2024. The emphasis of discussions about these statements will be on current-year data. There are three business-type activities financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. There are two fiduciary financial statements presented: the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. This discussion and analysis of the University’s financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2024 and fiscal year 2023.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2024, and includes all assets, deferred inflows, deferred outflows, and liabilities, both current and non-current. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting, which requires revenue and asset recognition when the service is provided and expense and liability recognition when goods or services are received, despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the University and how much the University owes vendors. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources (net position), is one indicator of the University’s financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University’s financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories.

The first category is the net investment in capital assets. It provides the University’s equity in property, plant and equipment owned by the University.

The next category is restricted, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

The final category is unrestricted. Unrestricted resources are available to the University for any lawful purpose.

The following table summarizes the Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 249,353,205	\$ 254,937,760	\$ (5,584,555)	(2.19)%
Capital Assets, Net	726,081,246	708,581,480	17,499,766	2.47 %
Intangible Right-to-Use Assets, Net	10,478,133	7,762,341	2,715,792	34.99 %
Other Assets	7,196,459	12,584,207	(5,387,748)	(42.81)%
TOTAL ASSETS	993,109,043	983,865,788	9,243,255	0.94 %
DEFERRED OUTFLOWS	170,974,824	220,226,557	(49,251,733)	(22.36)%
LIABILITIES				
Current Liabilities	64,161,283	60,897,328	3,263,955	5.36 %
Non-Current Liabilities	765,095,563	829,971,751	(64,876,188)	(7.82)%
TOTAL LIABILITIES	829,256,846	890,869,079	(61,612,233)	(6.92)%
DEFERRED INFLOWS	170,709,450	153,726,187	16,983,263	11.05 %
NET POSITION				
Net Investment in Capital Assets	439,813,200	406,063,744	33,749,456	8.31 %
Restricted, Non-Expendable	4,862,308	5,059,381	(197,073)	(3.90)%
Restricted, Expendable	10,388,275	10,274,535	113,740	1.11 %
Unrestricted (Deficit)	(290,946,212)	(261,900,581)	(29,045,631)	(11.09)%
TOTAL NET POSITION	\$ 164,117,571	\$ 159,497,079	\$ 4,620,492	2.90 %

Total assets increased by \$9,243,255, which was due to an increase in net capital assets of \$17,499,766 and an increase in intangible right-to-use assets of \$2,715,792, partially offset by a decrease in current assets of \$5,584,555 and a decrease in other assets of \$5,387,748. Overall, total assets had a relatively small increase of 0.9%. In current assets, cash and cash equivalents decreased by \$6,305,451. Cash and cash equivalents were impacted by several variables, including the timing of purchases made by the University and receipts from customers and affiliated organizations. KSU's loss before other revenues, expenses, gains or losses were \$3,956,405, contributing to the slight decrease in cash. Capital assets, net, increased with activity related to more extensive renovation work (e.g., Marietta Campus Recreation and Wellness Center, Carmichael Student Center Bookstore), and typical roof, HVAC, and data center upgrades across the campuses. The University also made significant investments in research equipment throughout the year. Intangible right-to-use (IRTU) assets include the University's right to use an underlying asset for a lease or subscription term. Subscription-based information technology arrangements (SBITAs) were recognized for the first time in fiscal year 2023 with the adoption of GASB Statement No. 96. The increase in SBITAs reflects new software purchases, primarily related to public safety and auxiliary operations. Other assets decreased due to externally restricted investments moving to externally restricted cash and cash equivalents (in current assets) to take advantage of beneficial banking interest rates.

Total deferred outflows of resources decreased by \$49,251,733, which was due to a decrease in deferred outflows on defined benefit pension plans of \$43,166,861, a decrease in deferred outflows on debt refunding of \$92,035, and a decrease in deferred outflows on Other Post-Employment Benefit (OPEB) plans of \$5,992,837. Deferred outflows of resources for pensions and OPEB are tied to changes in assumptions for measuring the corresponding liability, differences between expected and actual experience in health care plans (e.g., claims) and pensions, and differences in expected and actual investment income. Changes in liability due to these events are deferred and expensed in future years.

Total liabilities decreased by \$61,612,233 due to a decrease in non-current liabilities of \$64,876,188 and an increase in current liabilities of \$3,263,955. Most of the decrease in non-current liabilities was due to a reduction in the University's proportionate share of net pension and net OPEB liability. Pension and OPEB liabilities represent the benefits that current and former employees have earned and are expected to be paid after they retire. Net pension and net OPEB liability decreased by \$9,972,845 and \$45,364,094, respectively, based on actuarial changes. The changes in pensions and OPEB significantly impact deferred inflows of resources, deferred outflows of resources, and pension/OPEB expenses. Notes payable decreased with the typical annual payments.

Total deferred inflows of resources increased by \$16,983,263, which was due to an increase in the University's deferred inflows on the OPEB plan of \$22,494,909, a decrease in deferred inflows on Public Private Partnership (PPP) arrangements of \$3,449,175, a decrease in deferred inflows on defined benefit pension plans of \$1,604,429, a decrease in deferred inflows related to leases of \$340,113, and a decrease in deferred gain on debt refunding of \$117,929. Deferred inflows for OPEB and pensions relate to changes in assumptions, experience, and investment earnings that affect the corresponding liability and are recognized as revenue in future periods.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of \$4,620,492. This change in net position is due to an increase in net investment in capital assets resulting from a decrease in notes payable due to annual payments and additional capital investments in facility upgrades and equipment made by the University. The net investment in capital assets was offset mainly by the increase in the unrestricted (deficit) net position, leading to a relatively modest overall increase in total net position.

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The statement's purpose is to present the operating and non-operating revenues received by the University, the operating and non-operating expenses paid by the University, and any other revenues, expenses, gains, and losses, received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

The following table summarizes Revenues, Expenses and Changes in Net Position:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Operating Revenue	\$ 354,568,012	\$ 344,064,486	\$ 10,503,526	3.05 %
Operating Expense	716,493,796	654,638,239	61,855,557	9.45 %
Operating Income/Loss	(361,925,784)	(310,573,753)	(51,352,031)	(16.53)%
Non-Operating Revenue and Expense	357,969,379	345,351,271	12,618,108	3.65 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	(3,956,405)	34,777,518	(38,733,923)	(111.38)%
Other Revenues, Expenses, Gains, and Losses	8,576,897	8,399,916	176,981	2.11 %
Change in Net Position	4,620,492	43,177,434	(38,556,942)	(89.30)%
Net Position at beginning of year	159,497,079	116,319,645	43,177,434	37.12 %
Net Position at End of Year	\$ 164,117,571	\$ 159,497,079	\$ 4,620,492	2.90 %

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, which is represented by an increase in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

Revenues

Operating revenues increased by \$10,503,526. Operating revenues were impacted by an increase of \$1,542,388 in student tuition and fees, an increase of \$2,616,424 in grants and contracts, an increase of \$5,614,817 in auxiliary revenues, and an increase of \$689,946 in sales and service revenues. Auxiliary revenues continue to increase due to enrollment growth, new housing, and renovation work that has expanded services to students. The most significant increases are related to dining and bookstore operations.

Non-operating revenue and expenses, which includes state appropriations, non-operating grants and contracts, and interest expense, increased by \$12,618,108 primarily due to an increase of \$17,902,990 in state appropriations offset

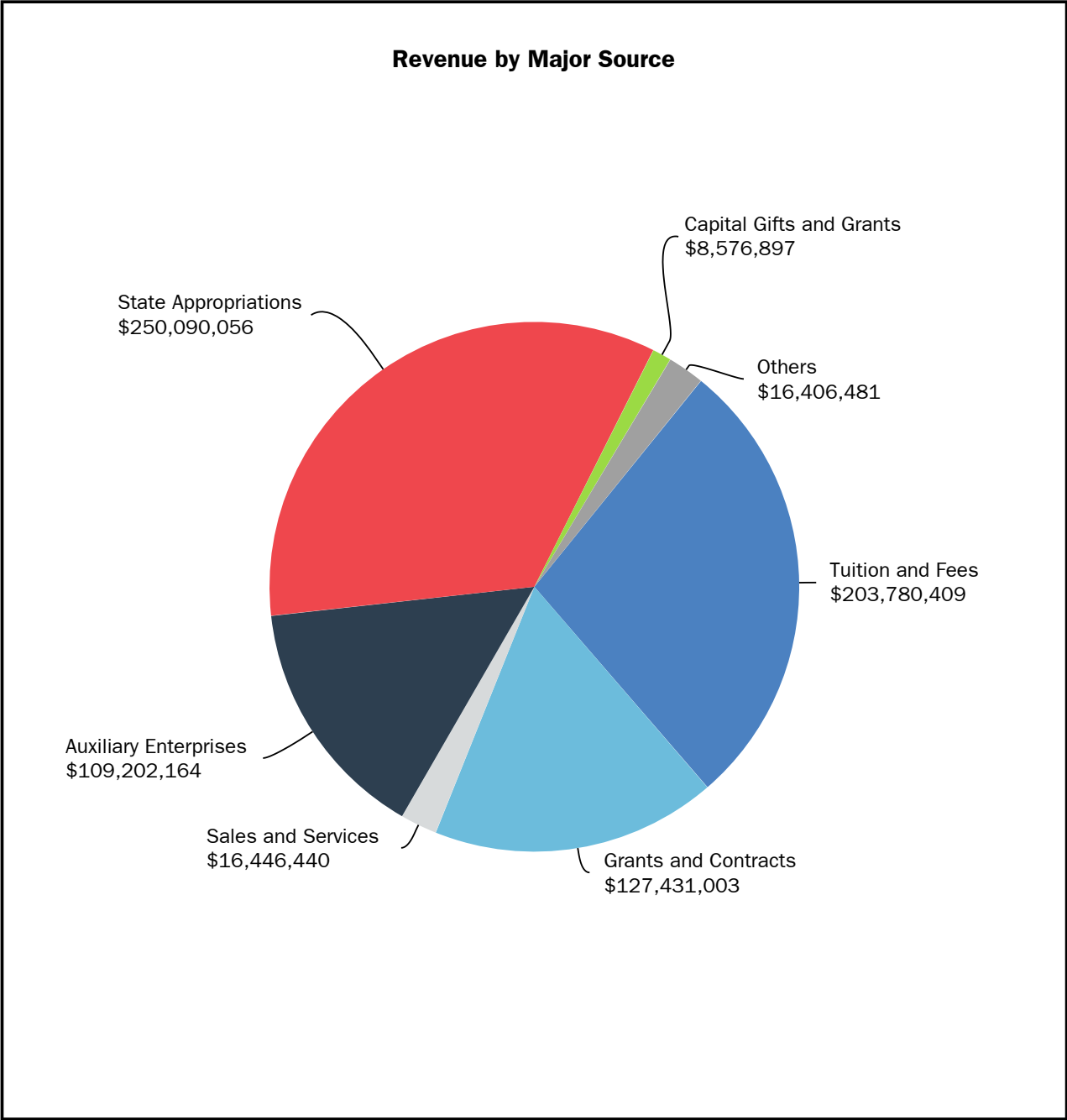
by a decrease in grants and contracts of \$3,995,710. State appropriations increased due to additional funding for a cost-of-living adjustment and enrollment growth. Grants and contracts were affected by the lower amount of available Higher Education Emergency Relief Funds (HEERF). The grant ended in fiscal year 2024.

Other revenues, expenses, gains, and losses increased by \$176,981, remaining stable with prior year revenues.

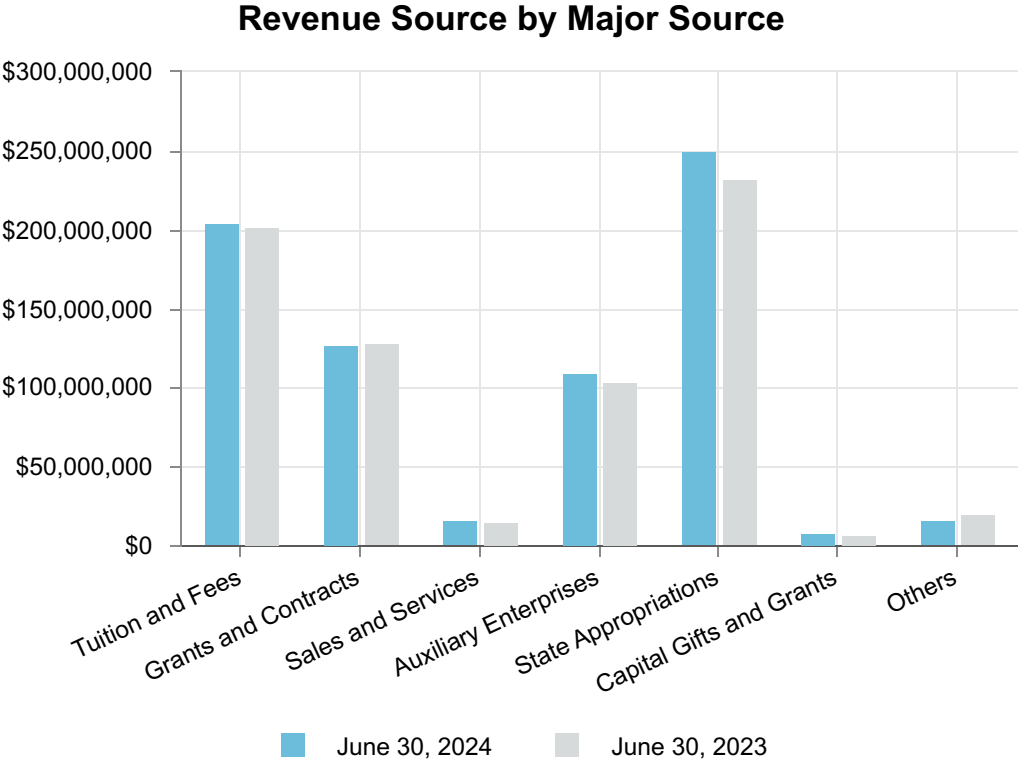
For the years ended June 30, 2024 and June 30, 2023, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 203,780,409	\$ 202,238,021	\$ 1,542,388	0.76 %
Grants and Contracts	26,825,383	24,208,959	2,616,424	10.81 %
Sales and Services	16,446,440	15,756,494	689,946	4.38 %
Auxiliary Enterprises	109,202,164	103,587,347	5,614,817	5.42 %
Other Operating Revenues	(1,686,384)	(1,726,335)	39,951	2.31 %
Total Operating Revenues	354,568,012	344,064,486	10,503,526	3.05 %
State Appropriations	250,090,056	232,187,066	17,902,990	7.71 %
Grants and Contracts	100,605,620	104,601,330	(3,995,710)	(3.82)%
Gifts	6,037,068	15,908,972	(9,871,904)	(62.05)%
Investment Income	12,095,848	6,851,908	5,243,940	76.53 %
Other Nonoperating Revenues	(40,051)	(2,877,009)	2,836,958	98.61 %
Total Nonoperating Revenues	368,788,541	356,672,267	12,116,274	3.40 %
State Capital Gifts and Grants	3,991,463	1,048,342	2,943,121	280.74 %
Other Capital Gifts and Grants	4,585,434	6,151,089	(1,565,655)	(25.45)%
Total Capital Gifts and Grants	8,576,897	7,199,431	1,377,466	19.13 %
Special Items	—	(464,378)	464,378	100.00 %
Extraordinary Items	—	1,664,863	(1,664,863)	(100.00)%
Total Revenues	\$ 731,933,450	\$ 709,136,669	\$ 22,796,781	3.21 %

Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts, and other sources) for fiscal year 2024 is depicted by the following chart:



Revenue by major source for the years ended June 30, 2024, and June 30, 2023, is depicted by the following chart:



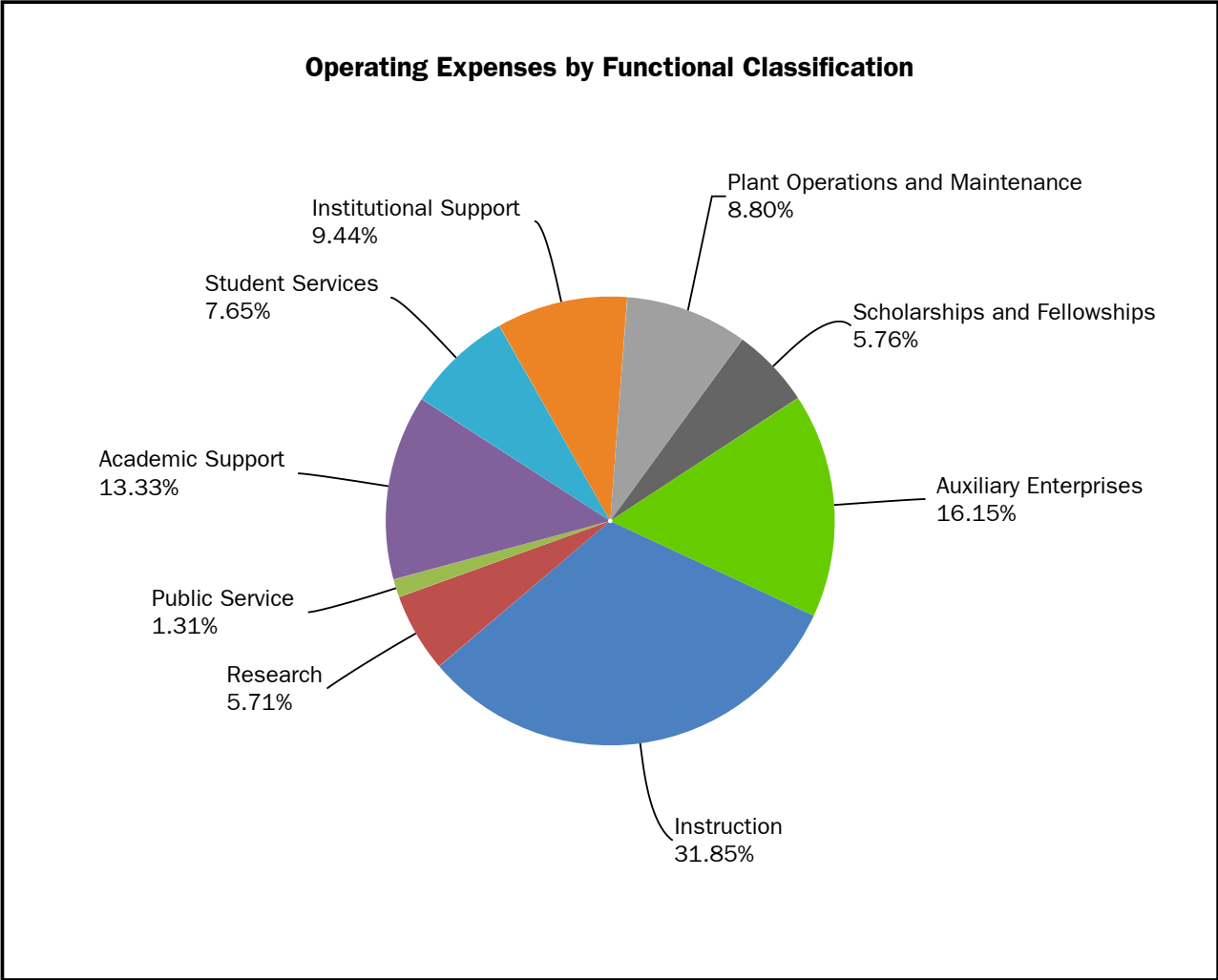
Expenses

For the years ended June 30, 2024, and June 30, 2023, expenses by functional classification were as follows:

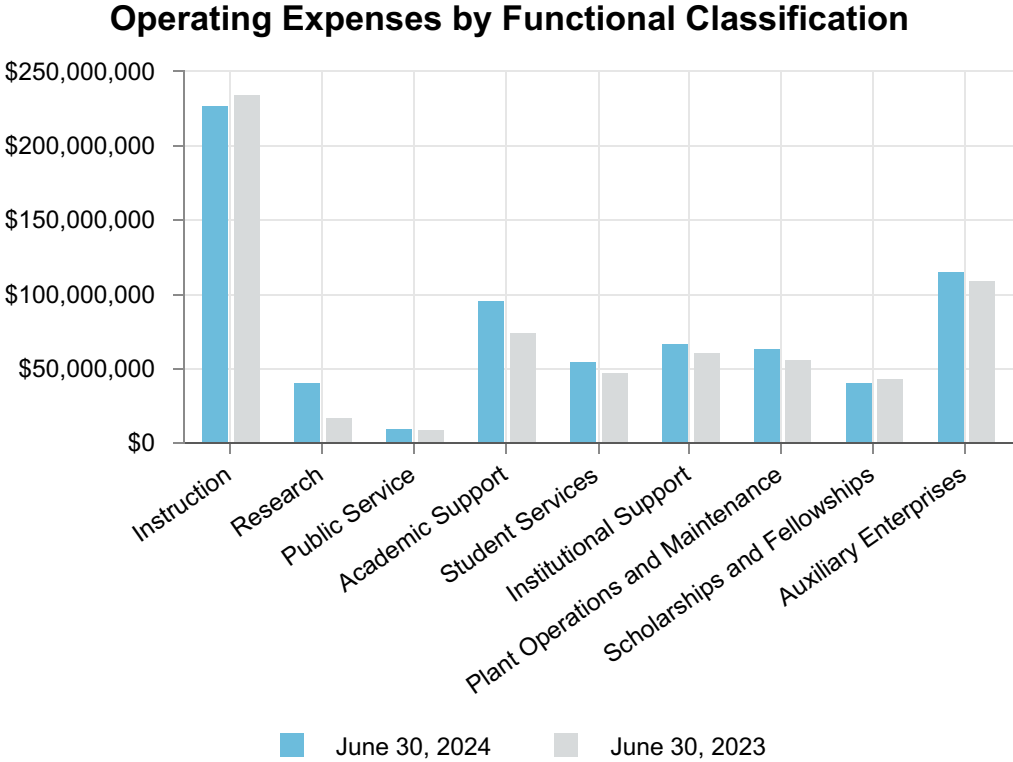
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Instruction	\$ 228,232,293	\$ 235,365,523	\$ (7,133,230)	(3.03)%
Research	40,878,284	17,444,957	23,433,327	134.33 %
Public Service	9,356,588	8,320,586	1,036,002	12.45 %
Academic Support	95,476,779	74,792,057	20,684,722	27.66 %
Student Services	54,812,460	47,773,481	7,038,979	14.73 %
Institutional Support	67,612,339	61,517,270	6,095,069	9.91 %
Plant Operations and Maintenance	63,083,176	56,146,645	6,936,531	12.35 %
Scholarships and Fellowships	41,294,745	44,038,908	(2,744,163)	(6.23)%
Auxiliary Enterprises	115,747,132	109,238,812	6,508,320	5.96 %
Total Operating Expenses	716,493,796	654,638,239	61,855,557	9.45 %
Interest Expense	10,819,162	11,320,996	(501,834)	(4.43)%
Total Nonoperating Expenses	10,819,162	11,320,996	(501,834)	(4.43)%
Total Expenses	\$ 727,312,958	\$ 665,959,235	\$ 61,353,723	9.21 %

Total operating expenses were \$716,493,796 in fiscal year 2024, an increase of \$61,855,557 compared to fiscal year 2023. For fiscal year 2024, all functional classifications, except Instruction and Scholarships and Fellowships, experienced an increase in expenses. Most classifications increased due to higher salaries and benefits tied to cost-of-living adjustments. Research increased significantly as the University focused on dedicating and tracking faculty time spent on research to reflect better the efforts of the institution to grow its research activities. This effort led to a decrease in instructional expenses related to faculty salaries and benefits. Academic support increased due to investments in technology, graduate assistants, and personnel costs. Auxiliary enterprises increased due to higher payroll, cost of goods sold in dining and bookstore operations, and repairs and maintenance for housing. Scholarships and fellowships expense decreased as fewer HEERF funds were available for use compared to the prior fiscal year. The HEERF grant is now closed. Plant and operations maintenance increased with additional expenses for salaries and benefits, maintenance supplies, architecture fees, and additional depreciation on facilities placed into service.

The following chart depicts the fiscal year 2024 operating expenses by functional classification.

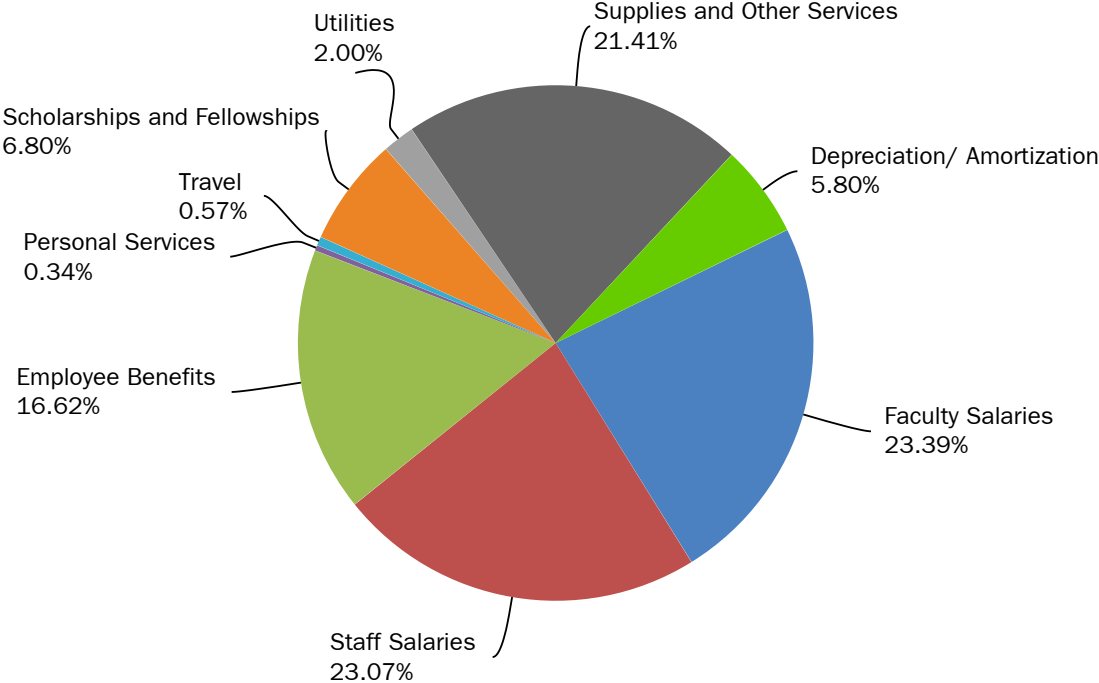


Operating expenses by functional classification for the years ended June 30, 2024, and June 30, 2023, is depicted by the following chart:



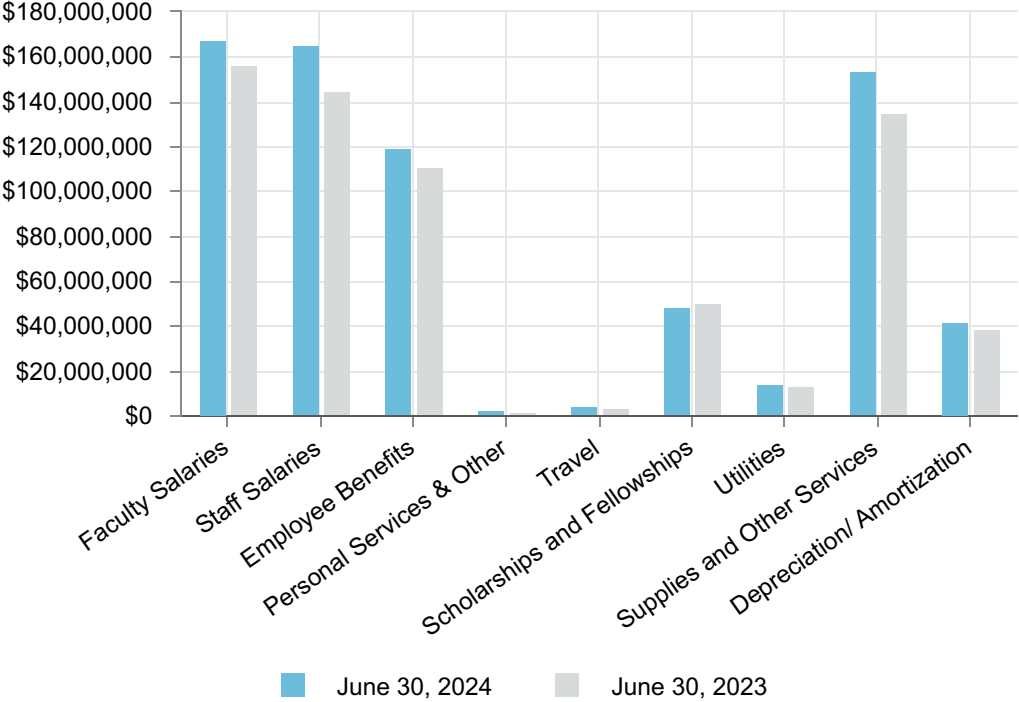
The following chart depicts the fiscal year 2024 operating expenses by natural classification:

Operating Expenses by Natural Classification



Operating expenses by natural classification for the years ended June 30, 2024, and June 30, 2023, is depicted by the following chart:

Operating Expenses by Natural Classification



Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the University during the year and is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the University. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds, and interest received from investing activities. The fifth and final section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2024 and June 30, 2023 were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2024	June 30, 2023
Cash Provided (Used) by:		
Operating Activities	\$ (306,716,615)	\$ (256,352,022)
Non-Capital Financing Activities	360,657,743	350,598,907
Capital and Related Financing Activities	(77,323,453)	(80,633,185)
Investing Activities	17,076,874	6,530,060
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,305,451)	20,143,760
Cash and Cash Equivalents, beginning of year	213,275,917	193,132,157
Cash and Cash Equivalents, end of year	\$ 206,970,466	\$ 213,275,917

Capital & Intangible Right-to-Use Assets

Capital assets, net of accumulated depreciation, at June 30, 2024, and June 30, 2023, were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Land	\$ 45,283,891	\$ 43,214,057	\$ 2,069,834	4.79 %
Capitalized Collections, not depreciated	4,951,773	4,930,933	20,840	0.42 %
Construction Work-in-Progress	28,645,123	37,786,332	(9,141,209)	(24.19)%
Infrastructure	8,911,590	9,489,896	(578,306)	(6.09)%
Building and Building Improvements	590,201,288	578,431,169	11,770,119	2.03 %
Facilities and Other Improvements	9,372,928	6,869,429	2,503,499	36.44 %
Equipment	36,657,885	25,598,248	11,059,637	43.20 %
Library Collections	646,398	795,640	(149,242)	(18.76)%
Capitalized Collections, depreciated	1,410,370	1,465,776	(55,406)	(3.78)%
Capital Assets, net of accumulated depreciation	\$ 726,081,246	\$ 708,581,480	\$ 17,499,766	2.47 %

Intangible Right-to-Use assets, net of accumulated amortization, at June 30, 2024, and June 30, 2023, were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Intangibles in Progress	\$ —	\$ 365,225	\$ (365,225)	(100.00)%
Land and Land Improvements	666,221	745,867	(79,646)	(10.68)%
Building and Building Improvements	1,240,947	1,609,726	(368,779)	(22.91)%
Equipment	467,920	278,285	189,635	68.14 %
Subscription Based IT Arrangements (SBITAs)	8,103,045	4,763,238	3,339,807	70.12 %
Intangible Right-to-Use Assets, net of accumulated amortization	\$ 10,478,133	\$ 7,762,341	\$ 2,715,792	34.99 %

For additional information concerning capital and intangible right-to-use assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long-Term Liabilities

Kennesaw State University had long-term liabilities of \$264,546,921 excluding pension and OPEB liability; of which \$23,930,498 was reflected as current liability at June 30, 2024.

For additional information concerning long-term liabilities, see Note 8 and 13 in the Notes to the Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash and investments, receivables, intangible-right-to-use assets, leases, compensated absences, retirement, and other post-employment benefits, capital assets, and a report of operating expenses by function.

Economic Outlook

Kennesaw State University is not aware of any currently known facts, decisions, or conditions that are expected to significantly effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global impact on virtually all types of business operations. The University's overall financial position is strong. The University anticipates that current fiscal year operations will remain consistent compared to fiscal year 2024. Enrollment is projected to continue to increase with students returning in the fall. The University will continue to maintain a close watch over resources to facilitate the University's ability to react to unknown internal and external issues.



**KENNESAW STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Kennesaw State University	Component Unit
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 201,581,812	\$ 5,365,274
Cash and Cash Equivalents (Externally Restricted)	5,388,654	—
Short-term Investments	—	22,252,760
Accounts Receivable, net		
Federal Financial Assistance	4,261,395	—
Affiliated Organizations	4,227,993	—
Component Unit	2,194,996	—
Primary Government	—	169,969
Pledges and Contributions	—	1,374,511
Other	9,046,302	226,030
Investment in Financing Lease Arrangements - Primary Government	—	8,709,207
Inventories	2,855,681	—
Prepaid Items	19,796,372	43,063
Total Current Assets	249,353,205	38,140,814
Non-Current Assets		
Accounts Receivable, net		
Component Units	2,888,928	—
Due From USO - Capital Liability Reserve Fund	1,941,223	—
Pledges and Contributions	—	16,923,359
Other	1,382,915	—
Investments	443,997	—
Notes Receivable, net	539,396	—
Investment in Financing Lease Arrangements - Primary Government	—	191,742,689
Non-current Cash (Externally Restricted)	—	53,236,606
Short-term Investments (Externally Restricted)	—	111,278,578
Investments (Externally Restricted)	—	27,345,198
Capital Assets, net	726,081,246	66,990,357
Intangible Right-to-Use Assets, net	10,478,133	3,975,956
Total Non-Current Assets	743,755,838	471,492,743
TOTAL ASSETS	993,109,043	509,633,557
DEFERRED OUTFLOWS OF RESOURCES	\$ 170,974,824	\$ —

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Kennesaw State University	Component Unit
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 17,421,253	\$ 6,597,016
Salaries Payable	595,931	—
Benefits Payable	997,540	—
Contracts Payable	1,468,512	—
Retainage Payable	1,031,368	—
Due to Affiliated Organizations	360	—
Due to Component Unit	209,288	—
Due to Primary Government	—	1,658,827
Advances (Including Tuition and Fees)	17,711,578	726,776
Deposits	53,790	—
Deposits Held for Other Organizations	617,571	—
Other Liabilities	123,594	—
Subscription Obligations	1,531,744	—
Notes Payable - External	1,899,441	700,575
Notes Payable - Component Units	8,629,413	—
Lease Obligations - External	446,580	50,291
Lease Obligations - Primary Government	—	187,711
Lease Obligations - Component Unit	164,499	—
Revenue Bonds and Notes Payable	—	13,375,000
Compensated Absences	11,258,821	—
Total Current Liabilities	64,161,283	23,296,196
Non-Current Liabilities		
Subscription Obligations	2,892,960	—
Notes Payable - External	40,100,557	—
Notes Payable - Component Units	191,007,407	—
Lease Obligations - External	541,488	548,586
Lease Obligations - Primary Government	—	3,274,786
Lease Obligations - Component Unit	1,378,290	—
Revenue Bonds and Notes Payable	—	293,545,508
Compensated Absences	4,695,721	—
Net Other Post-Employment Benefits Liability	213,572,751	—
Net Pension Liability	310,906,389	—
Total Non-Current Liabilities	765,095,563	297,368,880
TOTAL LIABILITIES	829,256,846	320,665,076
DEFERRED INFLOWS OF RESOURCES	170,709,450	—
NET POSITION		
Net Investment in Capital Assets	439,813,200	(21,739,138)
Restricted for:		
Nonexpendable	4,862,308	97,898,946
Expendable	10,388,275	60,504,353
Unrestricted (Deficit)	(290,946,212)	52,304,320
TOTAL NET POSITION	\$ 164,117,571	\$ 188,968,481

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	Kennesaw State University	Component Unit
OPERATING REVENUES		
Student Tuition and Fees (net)	\$ 203,780,409	\$ —
Grants and Contracts		
Federal	10,825,316	—
State	2,473,200	—
Other	13,526,867	—
Sales and Services	16,446,440	222,491
Rents and Royalties	525,001	36,333,041
Auxiliary Enterprises		
Residence Halls	23,803,688	—
Bookstore	16,004,931	—
Food Services	30,691,559	—
Parking	10,608,479	—
Health Services	3,799,292	—
Intercollegiate Athletics	16,563,117	—
Other Organizations	7,731,098	—
Gifts and Contributions	—	16,301,545
Endowment Income	—	2,716,312
Other Operating Revenues	(2,211,385)	—
Total Operating Revenues	<u>354,568,012</u>	<u>55,573,389</u>
OPERATING EXPENSES		
Faculty Salaries	167,560,644	—
Staff Salaries	165,311,191	3,929,671
Employee Benefits	119,045,035	823,924
Other Personal Services	2,443,478	—
Travel	4,070,009	232,328
Scholarships and Fellowships	48,715,939	11,646,353
Utilities	14,364,493	2,733,858
Supplies and Other Services	153,411,994	10,787,774
Depreciation and Amortization	41,571,013	5,847,687
Total Operating Expenses	<u>716,493,796</u>	<u>36,001,595</u>
Operating Income (Loss)	<u>\$ (361,925,784)</u>	<u>\$ 19,571,794</u>

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	Kennesaw State University	Component Unit
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 250,090,056	\$ —
Grants and Contracts		
Federal	95,603,000	—
State	114	—
Other	5,002,506	—
Gifts	6,037,068	—
Investment Income	12,095,848	14,104,010
Interest Expense	(10,819,162)	(10,907,361)
Other Nonoperating Revenues (Expenses)	(40,051)	(1,384,318)
	<hr/>	<hr/>
Net Nonoperating Revenues (Expenses)	357,969,379	1,812,331
	<hr/>	<hr/>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(3,956,405)	21,384,125
	<hr/>	<hr/>
Capital Grants and Gifts		
State	3,991,463	—
Other	4,585,434	—
Additions to Permanent and Term Endowments	—	2,725,343
	<hr/>	<hr/>
Total Other Revenues, Expenses, Gains or Losses	8,576,897	2,725,343
	<hr/>	<hr/>
Change in Net Position	4,620,492	24,109,468
	<hr/>	<hr/>
Net Position, Beginning of Year, As Originally Reported	159,497,079	164,859,013
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 164,117,571</u>	<u>\$ 188,968,481</u>

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Kennesaw State University</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 334,170,878
Grants and Contracts (Exchange)	15,137,346
Payments to Suppliers	(272,445,815)
Payments to Employees	(335,406,037)
Payments for Scholarships and Fellowships	(48,715,939)
Loans Issued to Students	41,701
Other Receipts	351,093
Other Payments	150,158
Net Cash Used by Operating Activities	<u>(306,716,615)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	250,090,056
Gifts and Grants Received for Other Than Capital Purposes	110,626,924
Other Non-Capital Financing Receipts	2,185
Other Non-Capital Financing Payments	(61,422)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>360,657,743</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	5,326,111
Proceeds from Sale of Capital Assets	52,715
Purchases of Capital and Intangible Right-to Use Assets	(59,395,904)
Principal Paid on Capital Debt and Leases	(12,461,319)
Interest Paid on Capital Debt and Leases	(10,845,056)
Net Cash Used by Capital and Related Financing Activities	<u>(77,323,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	4,862,308
Investment Income	12,214,566
Net Cash Provided by Investing Activities	<u>17,076,874</u>
Net Decrease in Cash and Cash Equivalents	(6,305,451)
Cash and Cash Equivalents, Beginning of Year	<u>213,275,917</u>
Cash and Cash Equivalents, End of Year	<u>\$ 206,970,466</u>

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	Kennesaw State University
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (361,925,784)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	41,571,013
Operating Expenses Related to Noncash Gifts	158,135
Change in Assets and Liabilities:	
Receivables, net	(5,435,085)
Inventories	463,070
Prepaid Items	142,399
Notes Receivable, Net	41,701
Accounts Payable	745,919
Salaries Payable	100,938
Benefits Payable	68,096
Retainage Payable	15,705
Deposits	7,772
Advances (Including Tuition and Fees)	1,062,535
Other Liabilities	(48,624)
Funds Held for Others	150,158
Compensated Absences	1,632,620
Due to Affiliated Organizations	159,691
Net Pension Liability	(9,972,845)
Net Other Post-Employment Benefit Liability	(45,364,094)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	20,550,367
Deferred Outflows of Resources	49,159,698
Net Cash Used by Operating Activities	<u>\$ (306,716,615)</u>
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	<u>\$ 158,135</u>
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u>\$ 4,444,476</u>
Current Year Accruals Related to Capital Financing Activities	<u>\$ 369,005</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (33,528)</u>
Accrual of Capital Asset Related Payables	<u>\$ 3,219,976</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 323,599</u>
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	<u>\$ 3,334,448</u>
Amortization of Capital Financing Activities Advances and Deferred Inflows	<u>\$ 3,449,175</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u>\$ 25,894</u>
Other Capital Financing Activities Noncash Items	<u>\$ (205,520)</u>
Unrealized Gain (Loss) on Investments	<u>\$ (118,718)</u>

The notes to the financial statements are an integral part of this statement.

**KENNESAW STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Receivables	
Other	\$ 13,599,271
	<hr/>
Total Assets	13,599,271
	<hr/>
LIABILITIES	
Cash Overdraft	11,091,198
Due to Component Units	263,389
Advances	2,171,052
Deposits held for other organizations	12,330
	<hr/>
Total Liabilities	13,537,969
	<hr/>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 61,302
	<hr/> <hr/>

**KENNESAW STATE UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 133,814,511
State Financial Aid	113,167,649
Other Financial Aid	18,805,875
Clubs and Other Organizations Fund Raising	3,475,413
Public-Private Partnership Passthrough	<u>24,934,272</u>
Total Additions	<u>294,197,720</u>
DEDUCTIONS	
Scholarships and Other Student Support	265,788,036
Student Organizations Support	5,043,439
Public-Private Partnership Passthrough	<u>24,934,272</u>
Total Deductions	<u>295,765,747</u>
Net Increase in Fiduciary Net Position	<u>(1,568,027)</u>
Net Position, Beginning of Year	<u>1,629,329</u>
Net Position, End of Year	<u><u>\$ 61,302</u></u>

NOTES TO THE

FINANCIAL

STATEMENTS



**KENNESAW STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Kennesaw State University (University) serves the state and national communities by providing its students with academic instruction that advances fundamental knowledge and by disseminating knowledge to the people of Georgia, the nation, and throughout the world.

Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the University is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven-year term and members may be reappointed to subsequent terms by a sitting governor.

The University does not have the right to sue/be sued without recourse to the State. The University's property is the property of the State and subject to all the limitations and restrictions imposed upon other property of the State by the Constitution and laws of the State. In addition, the University is not legally separate from the State. Accordingly, the University is included within the State's basic financial statements as part of the primary government as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. In addition, a discretely presented component unit of the State, as discussed below, has been included since it has been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at <https://sao.georgia.gov/statewide-reporting/acfr>.

Discretely Presented Component Unit

The below organization is a legally separate, tax-exempt component unit of the State. Although the State (primary government) is not fiscally accountable for this entity, it has been determined that the nature and significance of the relationship between the primary government and the below organization is such that exclusion from these departmental financial statements would render them misleading. The below organization met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600. The below organization's fiscal year ends on June 30 each year. Separately issued financial statements are available from the following address.

- Kennesaw State University Foundation, Inc., 3391 Town Point Drive, Suite 4530/Mail drop 9101, Kennesaw, GA 30144.

See Component Unit Note 20 for additional information related to the discretely presented component unit.

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

The University's business-type activities and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The University reports the following fiduciary funds:

- Custodial Funds - Accounts for activities resulting from the University acting as an agent or fiduciary for various governments, companies, clubs or individuals.

New Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, Omnibus 2022, effective for certain elements of the requirement effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the financial statements.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoptions of this statement does not have a significant impact on the financial statements and will be applied prospectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the Board of Regents Short-Term Investment Pool. Cash and Cash Equivalents that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Cash and Cash Equivalents restricted as to use by a third party are reported as externally restricted.

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The University accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Position.

Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Assets restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff, the majority of whom reside in the State of Georgia. Accounts receivable also includes amounts due from federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

Resale inventories are valued at cost using the average-cost basis.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To fully understand plant additions in the University, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the University System when complete. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

Intangible Right-To-Use Assets

The University leases certain academic spaces, administrative offices, and equipment under lease agreements. The University has both leases under which it is obligated as a lessee and leases for which it is a lessor. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

The University also entered into certain subscription-based agreements to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) result in an intangible right-to-use asset and a subscription obligation on the Statement of Net Position. The University capitalizes SBITA items that are greater than \$100,000 over the subscription term and the initial term exceeds 12 months.

An intangible right-to-use asset represents the University's right to use an underlying asset for the lease or subscription term. Lease and/or subscription obligations represent the University's liability to make lease and/or subscription payments arising from the lease and/or subscription agreement. Intangible right-to-use assets, lease obligations, and subscription obligations are recognized based on the present value of lease and/or subscription payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease and/or subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease and/or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease and/or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease and/or subscription are reported as intangible right-to-use assets in progress.

Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on the University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund of \$1,941,223 represents the University's contribution to the Fund.

Deferred Outflows of Resources

Deferred outflows of resources consist of the consumption of net position that is applicable to a future reporting period.

Advances

Advances include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Advances also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits

Deposits represent good faith deposits from students to reserve housing assignments, meal plans or other auxiliary services.

Deposits Held for Other Organizations

Deposits held for other organizations result primarily from escheated funds that are the result of unclaimed property.

Compensated Absences

Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses and Changes in Net Position.

Non-current Liabilities

Non-current liabilities include: (1) liabilities that will not be paid within the next fiscal year and (2) lease obligations with contractual maturities greater than one year.

Deferred Inflows of Resources

Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period.

Other Post-Employment Benefit (OPEB) and Net OPEB Liability

The net OPEB liability represents the University's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board of Regents Retiree Health Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions and Net Pension Liability

The net pension liability represents the University's proportionate share of the difference between the total pension liability as a result of the exchange for employee services for compensation and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Public-Private and Public-Public Partnerships

A public-private or public-public partnership (PPP) is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset. Some PPP's are service concession arrangements.

Net Position

The University's net position is classified as follows:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets and intangible right-to-use assets. To the extent debt has been incurred but not yet expended for capital assets or intangible right-to-use assets, such amounts are not included as a component of net investment in capital assets. The term "debt obligations" as used in this definition does not include debt of the GSFIC as discussed previously in Note 1 - Capital Assets section.

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. The University maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

Restricted - expendable net position includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Taxes

The University, as a political subdivision of the State of Georgia, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

Classification of Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Net Position classifies fiscal year activity as operating and nonoperating according to the following criteria:

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.

- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state, or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded contra revenue for scholarship allowances. Tuition and fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$84,836,381.

Special Items

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are considered special items.

In fiscal year 2024, the University had no special items.

Extraordinary Items

Significant transactions or other events that are both unusual in nature and infrequent in occurrence are considered extraordinary items.

In fiscal year 2024, the University had no extraordinary items.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2024, are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	201,581,812
Cash and Cash Equivalents (Externally Restricted)		5,388,654

Noncurrent

Investments		443,997
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Statement of Fiduciary Net Position

Cash and Cash Equivalents		(11,091,198)
	\$	<u>196,323,265</u>

Cash on hand, deposits and investments as of June 30, 2024, consist of the following:

Cash on Hand	\$	43,600
Deposits with Financial Institutions		170,154,713
Investments		26,124,952
	\$	<u>196,323,265</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest-bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the University) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (O.C.G.A.) § 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Letters of credit issued by a Federal Home Loan Bank.
7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The University participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to

secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository's collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

At June 30, 2024, the bank balances of the University's deposits totaled \$172,618,332. Of these deposits, \$0 were exposed to custodial credit risk. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the University.

B. Investments

The University maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility it has to the citizens of Georgia. All investments conform to and are consistent with donor intent, Board of Regents policy and applicable federal and state laws.

GASB Statement No. 72, *Fair Value Measurements and Application* requires fair value measurement be classified and disclosed in one of the following three categories ("Fair Value Hierarchy"):

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

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies, such as matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments. Investments classified in Level 3 include guaranteed investment contracts. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

The following table summarizes the valuation of the University's investments measured at fair value as of June 30, 2024.

	Fair Value	Fair Value Hierarchy Level 1
Investment type:		
Equity Securities - Domestic	\$ 377,079	\$ 377,079
Other	66,918	66,918
	443,997	\$ 443,997
Investment Pools		
Board of Regents		
Short-Term Fund	25,680,955	
Total Investments	\$ 26,124,952	

Board of Regents Pooled Investment Program

The USG serves as fiscal agent for various units of the University System of Georgia and affiliated organizations. The USG pools the monies of these organizations with the USG's monies for investment purposes. The investment pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The fair value of the investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each institution has to the citizens of Georgia, and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws. Units of the University System of Georgia and their affiliated organizations may participate in the pooled investment fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk.

The University's position in the pooled investment fund options are described below.

1. Short-Term Fund

The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between daily and four years, and the fund will typically have an overall average duration of $\frac{3}{4}$ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Short-Term Fund at June 30, 2024 was \$25,680,955, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.08 years.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The University's policy for managing interest rate risk attempts to match investments with expected cash requirements.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University policy for managing custodial credit risk is:

1. The USG has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of professional custodian and is liable to the USG for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.
2. All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.
3. Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2024, \$0 was uninsured and held by the investment's counterparty's trust department or agent, but not in the University's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

1. In the Short-Term Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return and has no exposure to concentration of credit risk at June 30, 2024.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Exposure to foreign currency credit risk is limited to funds maintained in foreign accounts for the Study Abroad Program. The University does not have a formal policy for managing foreign currency risk and does not have any exposure to foreign currency risk at June 30, 2024.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 7,447,418	\$ 124,597
Auxiliary Enterprises and Other Operating Activities	4,000,151	
Federal Financial Assistance	4,261,395	858,872
Georgia Student Finance Commission		12,615,802
Georgia State Financing and Investment Commission	3,363,531	
Due from Affiliated Organizations	4,227,993	
Due from Component Unit	5,083,923	
Due From Other USG Institutions	1,952,823	
Lease Receivable	1,532,181	
Other	1,484,120	
	<hr/> 33,353,535	<hr/> 13,599,271
Less: Allowance for Doubtful Accounts	7,409,783	
Net Accounts Receivable	<hr/> <u>\$ 25,943,752</u>	<hr/> <u>\$ 13,599,271</u>

Note 4 Inventories

Inventories consisted of merchandise for resale of \$2,855,681 at June 30, 2024.

Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the University. The Nurse Faculty Loan Program (NFLP) comprises the majority of the loans receivable at June 30, 2024. The NFLP offers loans to students enrolled in advanced education nursing degree programs who are committed to become nurse faculty. In exchange for full-time post-graduation employment as nurse faculty, the program authorizes cancellation of up to 85% of any such loan (plus interest thereon). Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate. At June 30, 2024, the allowance for uncollectible loans was \$0.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2024, are shown below:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 43,214,057	\$ 2,069,834	\$ —	\$ 45,283,891
Capitalized Collections	4,930,933	20,840	—	4,951,773
Construction Work-in-Progress	37,786,332	43,490,117	52,631,326	28,645,123
Total Capital Assets Not Being Depreciated	85,931,322	45,580,791	52,631,326	78,880,787
Capital Assets, Being Depreciated				
Infrastructure	18,407,203	135,451	—	18,542,654
Building and Building Improvements	987,528,743	39,350,977	—	1,026,879,720
Facilities and Other Improvements	14,144,875	3,205,903	—	17,350,778
Equipment	82,893,971	20,604,620	2,956,306	100,542,285
Library Collections	26,566,073	53,856	57,431	26,562,498
Capitalized Collections	2,463,448	—	—	2,463,448
Total Capital Assets Being Depreciated	1,132,004,313	63,350,807	3,013,737	1,192,341,383
Less: Accumulated Depreciation				
Infrastructure	8,917,307	713,757	—	9,631,064
Building and Building Improvements	409,097,574	27,580,858	—	436,678,432
Facilities and Other Improvements	7,275,446	702,404	—	7,977,850
Equipment	57,295,723	9,511,455	2,922,778	63,884,400
Library Collections	25,770,433	203,098	57,431	25,916,100
Capitalized Collections	997,672	55,406	—	1,053,078
Total Accumulated Depreciation	509,354,155	38,766,978	2,980,209	545,140,924
Total Capital Assets, Being Depreciate Net	622,650,158	24,583,829	33,528	647,200,459
Capital Assets, net	\$ 708,581,480	\$ 70,164,620	\$ 52,664,854	\$ 726,081,246

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. At June 30, 2024, GSFIC had \$3,074,935 construction in progress for incomplete GSFIC managed projects for the University.

Changes in intangible right-to-use assets for the year ended June 30, 2024 are shown below:

	Beginning Balances July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Intangible Right-to-use Assets, Not Being Amortized:				
Intangibles in Progress	\$ 365,225	\$ —	365,225	\$ —
Intangible Right-to-use Assets, Being Amortized:				
Land and Land Improvements	973,566	—	—	973,566
Building and Building Improvements	2,082,610	18,182	—	2,100,792
Equipment	543,158	327,121	—	870,279
Subscription Based IT Arrangements (SBITAs)	5,830,677	5,539,749	—	11,370,426
Total Leased Assets Being Amortized	<u>9,430,011</u>	<u>5,885,052</u>	<u>—</u>	<u>15,315,063</u>
Less: Accumulated amortization				
Land and Land Improvements	227,699	79,646	—	307,345
Building and Building Improvements	472,884	386,961	—	859,845
Equipment	264,873	137,486	—	402,359
Subscription Based IT Arrangements (SBITAs)	1,067,439	2,199,942	—	3,267,381
Total Accumulated Amortization	<u>2,032,895</u>	<u>2,804,035</u>	<u>—</u>	<u>4,836,930</u>
Total Intangible Right-to-use Assets, Being Amortized, Net	<u>7,397,116</u>	<u>3,081,017</u>	<u>—</u>	<u>10,478,133</u>
Intangible Right-to-use Assets, net	<u>\$ 7,762,341</u>	<u>\$ 3,081,017</u>	<u>\$ 365,225</u>	<u>\$ 10,478,133</u>

A comparison of depreciation & amortization expense for the last three fiscal years is as follows:

Fiscal Year	Depreciation & Amortization
2024	\$ 41,571,013
2023	\$ 38,877,667
2022	\$ 35,475,307

Note 7 Advances (Including Tuition and Fees)

Business-type activities advances, including tuition and fees, consisted of the following at June 30, 2024:

	<u>Current Liabilities</u>
Prepaid Tuition and Fees	\$ 14,931,306
Grants and Contracts	513,677
Other - Advances	<u>2,266,595</u>
Totals	<u>\$ 17,711,578</u>

Fiduciary fund advances in the amount of \$2,171,052 consists of student support received prior to eligibility requirements being met.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2024, was as follows:

	Balance			Balance	Current
	July 1, 2023	Additions	Reductions	June 30, 2024	Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 2,997,445	\$ 323,599	\$ 790,187	\$ 2,530,857	\$ 611,079
Subscription Obligations	2,786,671	3,334,448	1,696,415	4,424,704	1,531,744
Total	<u>5,784,116</u>	<u>3,658,047</u>	<u>2,486,602</u>	<u>6,955,561</u>	<u>2,142,823</u>
Other Liabilities					
Compensated Absences	14,321,923	12,467,573	10,834,954	15,954,542	11,258,821
Notes Payable	251,703,789	—	10,066,971	241,636,818	10,528,854
Total	<u>266,025,712</u>	<u>12,467,573</u>	<u>20,901,925</u>	<u>257,591,360</u>	<u>21,787,675</u>
Total Long-Term Obligations	<u>\$ 271,809,828</u>	<u>\$ 16,125,620</u>	<u>\$ 23,388,527</u>	<u>\$ 264,546,921</u>	<u>\$ 23,930,498</u>

See Note 14, Retirement Plans for information related to net pension liability. See Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post-employment benefits liability.

Notes Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the asset(s) transfers ownership at the end of the agreement.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2024 were \$10,066,971 and \$10,698,458, respectively.

The University has \$199,636,820 in outstanding notes payable due to component units for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2024	Outstanding Balances per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Financed Land and Land Improvements	\$ 19,879,664	\$ —	\$ 19,879,664	\$ —
Finance Buildings and Building Improvements	303,696,781	125,093,960	178,602,821	241,636,818
Total Assets Held Under Finance Lease Arrangement	<u>\$ 323,576,445</u>	<u>\$ 125,093,960</u>	<u>\$ 198,482,485</u>	<u>\$ 241,636,818</u>

The following schedule lists the pertinent information for each of the University 's financing lease agreements:

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Central Parking Deck	KSU Foundation	28,528,584	21 years	February 2017	June 2038	21,559,536 (1)
Dining Hall Facility	KSU Foundation	17,012,109	22 years	February 2017	June 2039	13,740,224 (1)
Sports Complex	KSU Foundation	61,884,585	24 years	September 2020	June 2044	52,655,616 (1)
Student Housing (UPII)	KSU Foundation	26,768,863	29 years	August 2012	June 2041	22,323,397 (1)
Summit Student Housing	KSU Foundation	37,132,763	30 years	July 2022	June 2052	36,551,279 (1)
Student Recreation Center	KSU Foundation	43,053,851	28 years	July 2014	June 2042	33,933,046 (1)
Marietta Student Housing - Howell	KSU Foundation	9,854,543	31 years	July 2021	June 2052	9,621,269 (1)
Commons Housing	KSU Foundation	8,742,600	14 years	June 2013	June 2027	2,375,501 (1)
Courtyard Housing	KSU Foundation	18,387,400	16 years	June 2013	June 2029	6,876,952 (1)
Parking Deck	USG Real Estate Foundation	17,323,738	25 years	June 2015	June 2040	13,883,843
Housing / Dining	USG Real Estate Foundation	34,019,686	20 years	March 2019	June 2039	28,116,155
Total Financed Leases		<u>\$ 302,708,722</u>				<u>\$ 241,636,818</u>

All of the financing lease agreements above are related-party transactions (1)

Below is the annual debt service related to the outstanding notes payable at June 30,2024.

Year Ending June 30:	Principal	Interest
2025	\$ 10,528,854	\$ 10,248,974
2026	11,002,787	9,784,397
2027	11,503,759	9,298,146
2028	11,175,872	8,803,682
2029	11,689,644	8,306,447
2030 through 2034	58,382,147	34,021,630
2035 through 2039	71,046,202	19,569,064
2040 through 2044	38,697,709	6,662,417
2045 through 2049	10,474,379	1,995,407
2050 through 2054	7,135,465	387,292
Total Minimum Lease Payments	<u>\$ 241,636,818</u>	<u>\$ 109,077,456</u>

Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2024, consisted of the following:

Deferred Outflows of Resources

Deferred Loss on Debt Refunding	\$	405,379
Deferred Defined Benefit Pension Plans (See Note 14)		116,343,929
Deferred OPEB Plan (See Note 17)		54,225,516
Total Deferred Outflows of Resources	\$	170,974,824

Deferred Inflows of Resources

Deferred Gain on Debt Refunding	\$	1,768,946
Deferred Inflows Public-Private or Public-Public Partnership (PPP)		43,570,256
Deferred Defined Benefit Pension Plans (See Note 14)		2,804,572
Deferred OPEB Plan (See Note 17)		117,911,189
Deferred Resources - Leases		4,654,487
Total Deferred Inflows of Resources	\$	170,709,450

Deferred Outflow/Inflow on Debt Refunding

The unamortized deferred loss on debt refunding at year end, related to refunding debt on two residence halls and a parking deck, is \$405,379. The unamortized deferred gain on debt refunding of \$1,768,946 relates to refunding debt on housing and dining facilities.

Leases

At June 30, 2024, Kennesaw State University (KSU) was a participant in three lease agreements as the lessor.

In June 2011, Kennesaw State University entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) for the KSU Sports and Recreation Park on the KSU campus. The agreement for the sports and recreation park is renewable for 29 years. As of June 30, 2024, the total remaining receivables are \$3,745,704. The amortized revenue recorded in fiscal year 2024 was \$213,174 and the remaining deferred inflow of resources was \$3,122,306.

In September 2008, Kennesaw State University (KSU) entered into an agreement with Verizon Wireless for cell tower space. The agreement is renewable for 25 years. As of June 30, 2024, the total remaining receivables are \$648,718. The amortized revenue recorded in fiscal year 2024 was \$57,907 and the remaining deferred inflow of resources was \$613,750.

In August 2010, Kennesaw State University (KSU) entered into an agreement with AT&T for cell tower space. The agreement is renewable for 25 years. As of June 30, 2024, the total remaining receivables are \$970,759. The amortized revenue recorded in fiscal year 2024 was \$86,654 and the remaining deferred inflow of resources was \$918,431.

Public-Private or Public-Public Partnerships (PPP)

At June 30, 2024, Kennesaw State University (KSU) was a participant in four Public-Private Partnerships.

In August 2001, KSU entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall (“University Place”) in accordance with a contractual agreement between the two parties. Under the terms of the agreement, University received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in August 2037.

In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing (“University Village”) in accordance with a contractual agreement between the parties. Under the terms of the agreement, University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in July 2036.

In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing (“University Suites”) in accordance with a contractual agreement between the parties. Under the terms of the agreement, University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in September 2038.

In August 2020, the University entered into an agreement with KSUF to simplify the student experience for KSUF-owned housing (University Place, University Village, and University Suites). Under this agreement, KSU is responsible for providing property management services on behalf of KSUF in a fiduciary capacity for billing and the collection of housing charges.

In July 2017, KSU entered into an agreement with a food service provider whereby the vendor will operate a restaurant in accordance with a contractual agreement between the two parties. Under the terms of the agreement, University received no funds upfront, but will take full ownership of the equipment and improvements at the end of the operating agreement in June 2027.

At June 30, 2024, the University reports the three housing residences and one retail space as capital assets with a net carrying value of \$43,570,256. For fiscal year 2024, the University reported a remaining deferred inflows of resources of \$43,570,256 and amortized revenue of \$3,449,175.

For the fiscal year 2024, KSU received variable payments related to revenue sharing arrangements, based on performance of the operator and/or the usage of the underlying PPP asset in the amount of \$183,058.

Description	Operator	Begin Month/Year	PPP Term	Discount Rate (if applicable)	Amortized Revenue in Current Year	Interest Income	Remaining Deferred Inflow of Resources	Related Party for Institution
University Place	KSU Foundation	August 2001	35 years	N/A	617,809	—	7,065,646	Yes
University Village	KSU Foundation	August 2003	33 years	N/A	1,331,314	—	15,792,464	Yes
University Village Suites	KSU Foundation	August 2007	31 years	N/A	1,474,924	—	20,381,621	Yes
Panda Express	Panda Express	July 2017	20 years	N/A	25,128	—	330,525	No
Total PPPs					<u>\$ 3,449,175</u>	<u>\$ —</u>	<u>\$43,570,256</u>	

Note 10 Net Position

The breakdown of business-type activity net position for the University fund at June 30, 2024, is as follows:

NET POSITION

Net Investment in Capital Assets	\$ 439,813,200
Restricted for	
Nonexpendable	
Permanent Endowment	4,862,308
Expendable	
Sponsored and Other Organized Activities	9,323,920
Federal Loans	955,985
Institutional Loans	108,370
Sub-Total	10,388,275
Unrestricted	
Auxiliary Enterprises Operations	65,653,556
Reserve for Encumbrances	72,899,669
Capital Liability Reserve Fund	1,941,223
Other Unrestricted (Deficit)	(431,440,660)
Sub-Total	(290,946,212)
Total Net Position	\$ 164,117,571

Other unrestricted net position is reduced by \$277,258,424 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by \$197,367,032 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees and are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Net Investments in Capital Assets	\$ 406,063,744	\$ 74,373,672	\$ 40,624,216	\$ 439,813,200
Restricted Net Position	15,333,916	136,007,900	136,091,233	15,250,583
Unrestricted Net Position	(261,900,581)	595,965,601	625,011,232	(290,946,212)
Total Net Position	\$ 159,497,079	\$ 806,347,173	\$ 801,726,681	\$ 164,117,571

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University controlled, donor-restricted endowments, where the donor has not provided specific

instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments.

For endowment funds where the donor has not provided specific instructions, investment return of the University's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2024. The University did not have any other significant unearned outstanding construction or renovation contracts in excess of these encumbrances at June 30, 2024.

Note 13 Leases and Subscriptions

Lease Obligations

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2024 were \$790,187 and \$88,384, respectively. Interest rates range from 0.3449 % to 5.983%.

The University has \$1,542,789 in outstanding lease obligations due to component units. The Institution has \$488,564 in outstanding lease obligations due to affiliated organizations and other related party organizations.

There were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2024:

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligations at June 30, 2024	Outstanding Balance per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Leased Land and Land Improvements	\$ 973,566	\$ 307,345	\$ 666,221	\$ 768,335
Leased Equipment	870,279	402,359	467,920	458,897
Leased Buildings and Building Improvements	2,100,792	859,845	1,240,947	1,303,625
Total Assets Held Under Lease	<u>\$ 3,944,637</u>	<u>\$ 1,569,549</u>	<u>\$ 2,375,088</u>	<u>\$ 2,530,857</u>

The following schedule lists the pertinent information for each of the University's leases:

LEASE SCHEDULE

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Classroom Building	KSU Foundation	\$ 953,858	9 years	July 2021	August 2030	\$ 387,014 (1)
Clinic	KSU Foundation	685,000	15 years	July 2021	June 2036	428,045 (1)
1st United Lutheran Church	1st United Lutheran Church	98,054	5 years	July 2021	June 2026	40,604
Canon Print Shop	Canon	156,248	2 years	July 2021	July 2023	—
Canon imagePress V1000	Canon	323,959	5 years	December 2023	November 2028	285,554
Machinist Union	KSU Foundation	875,512	13 years	July 2021	October 2034	644,149 (1)
N18101170 Talon Express Mail	Quadient	16,106	2 years	July 2021	September 2023	—
N19111200 WTS Tracking	Quadient	16,275	3 years	July 2021	September 2024	2,903
N20021899 WTS Tracking	Quadient	50,117	4 years	July 2021	June 2025	25,909
N21041215 DS85i Feeder	Quadient	46,225	5 years	July 2021	March 2026	25,533
N21073098 WTS & Scanner	Quadient	25,183	5 years	July 2021	June 2026	10,468
N21082092 iX7 Mail Machine	Quadient	20,206	5 years	August 2021	July 2026	9,909
Ricoh IMC2500 Copier	Ricoh	4,894	4 years	February 2022	January 2026	2,048
Ricoh IMC3000 Copier	Ricoh	7,750	5 years	December 2021	November 2026	3,893
N22032442 & N22032418 iX9C	Quadient	108,533	5 years	August 2022	July 2027	65,342
WTS Parcel Locker (Bkstr)	Quadient	19,753	5 years	September 2022	August 2027	12,720
IMC2500 Copier (KST207)	Ricoh	4,236	4 years	July 2022	February 2026	2,013
Canon iJet Color	Canon	16,074	3 years	July 2022	June 2025	5,631
IMC3000 Copier (MJ330)	Ricoh	3,930	2 years	July 2022	October 2024	595
4 - IMC3000 Copiers	Ricoh	14,215	2 years	July 2022	October 2024	2,155
MP2555SP Copier	Ricoh	2,445	2 years	July 2022	October 2024	370
IMC6000 Copier	Ricoh	5,805	2 years	July 2022	October 2024	879
3 - IMC2500 Copiers	Ricoh	9,288	2 years	July 2022	October 2024	1,406
IMC4500 Copier	Ricoh	4,487	2 years	July 2022	October 2024	680
MP3055SP Copier	Ricoh	2,793	2 years	July 2022	October 2024	423
IMC2500 Copier (MJ263)	Ricoh	3,096	2 years	July 2022	October 2024	469
2 - IM350F Copiers	Ricoh	1,996	2 years	July 2022	October 2024	—
Gateway Newsstand	KSU Foundation	161,784	5 years	July 2022	June 2027	83,581 (1)
3380 Town Point (Football Ops)	KSU Athletic Association	959,261	4 years	July 2022	February 2026	488,564 (1)
		\$ 4,597,083				\$ 2,530,857

(1) These leases are related-party transactions.

Below is the annual future commitments related to the outstanding lease obligations at June 30, 2024:

	Principal	Interest
Year Ending June 30:		
2025	\$ 611,079	\$ 53,903
2026	518,043	41,914
2027	278,607	34,928
2028	221,732	29,714
2029	188,347	23,664
2030 through 2034	595,129	54,787
2035 through 2039	117,920	5,102
Total Minimum Lease Payments	\$ 2,530,857	\$ 244,012

Subscription Obligations

The University has no outstanding subscription obligations due to component units, affiliated organizations and other related party organizations.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

The University's principal and interest payments related to SBITAs for fiscal year 2024 were \$1,604,161 and \$58,214, respectively.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITAs at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2024	Outstanding Balance per Subscription Schedules at June 30, 2024
Subscription Based IT Arrangements (SBITAs)	\$ 11,370,426	\$ 3,267,381	\$ 8,103,045	\$ 4,424,704

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2024:

	Principal	Interest
Year Ending June 30:		
2025	\$ 1,531,744	\$ 45,109
2026	1,098,643	26,966
2027	1,044,694	16,583
2028	548,370	7,781
2029	115,593	2,163
2030 through 2034	85,660	1,979
 Total Minimum Subscription Payments	 \$ 4,424,704	 \$ 100,581

Note 14 Retirement Plans

The University participates in various retirement plans administered by the State of Georgia under two major retirement systems: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

The University also provides the Regents Retirement Plan.

The significant retirement plans that the University participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

A. Teachers Retirement System of Georgia and Employees' Retirement System of Georgia

General Information about the Teachers Retirement System

Plan description

All teachers of the University as defined in O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at trsga.com/publications.

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60.

Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2024.

The University's contractually required contribution rate for the year ended June 30, 2024, was 19.98% of the annual University payroll. The University's contributions to TRS totaled \$33,763,879, for the year ended June 30, 2024.

General Information about the Employees' Retirement System

Plan description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at ers.ga.gov/financials.

Benefits provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University's contributions to ERS totaled \$62,285 for the year ended June 30, 2024. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the University reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023, was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the University's TRS proportion was 1.051588%, which was an increase of 0.066059% from its proportion measured as of June 30, 2022. At June 30, 2023, the University's ERS proportion was 0.007249%, which was a decrease of (0.005612)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized pension expense of \$65,499,484 for TRS and \$(83,733) for ERS. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,765,449	\$ 1,283,705	\$ 6,569	\$ 1,013
Changes of assumptions	31,941,102	—	16,640	—
Net difference between projected and actual earnings on pension plan investments	21,836,467	—	17,616	—
Changes in proportion and differences between contributions and proportionate share of contributions	12,933,922	1,353,250	—	166,604
Contributions subsequent to the measurement date	33,763,879	—	62,285	—
Total	\$ 116,240,819	\$ 2,636,955	\$ 103,110	\$ 167,617

The University's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS	ERS
2025	\$ 23,272,803	\$ (124,090)
2026	\$ 16,841,688	\$ (29,850)
2027	\$ 45,892,859	\$ 35,203
2028	\$ (6,167,365)	\$ (8,055)

Actuarial assumptions

The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.05%, annually

Post-retirement mortality rates were based on the Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale used for both males and females while in active service. Post-retirement mortality rates were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees – General Healthy Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees – General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries – General Contingent Survivors Table (set forward to two years for both males and females and adjusted 106% and 105% respectively).

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The long-term expected rate of return on TRS and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS target allocation	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	0.90 %	30.00 %	0.90 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 6.90% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate:

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.90% for TRS and 7.00% for ERS , as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	\$ 490,895,422	\$ 310,473,943	\$ 163,135,517

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 593,406	\$ 432,446	\$ 296,993

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publicly available at trsga.com/publications and ers.ga.gov/financials, respectively.

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan that was created/established by the Georgia General Assembly in O.C.G.A. § 47-21-1 et.seq. and administered by the Board of Regents of the University System of Georgia (Board). O.C.G.A. § 47-3-68(a) defines who may participate in the Regents Retirement Plan. An "eligible university system employee" is a faculty member or all exempt full and partial benefit eligible employees, as designated by the regulations of the Board. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from three approved vendors (VALIC, Fidelity, and TIAA-CREF) for the purpose of receiving retirement and death benefits. Benefits depend solely on amounts contributed to the plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2024, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$11,689,853 (9.24%) and \$7,590,814 (6.00%), respectively.

VALIC, Fidelity, and TIAA-CREF have separately issued financial reports which may be obtained through their respective corporate offices.

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

The University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

Retirees aged 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to a health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare-related expenses.

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

The University is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the O.C.G.A § 45-9-1.

The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

Note 16 Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. This could result in refunds to the grantor agency for any expenditure disallowed under grant terms. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Institution expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against the University, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

The University's membership in the Plan consisted of the following at June 30, 2024:

Active Employees	3,626
Retirees or Beneficiaries Receiving Benefits	893
Retirees Receiving Life Insurance Only	169
Total	<u><u>4,688</u></u>

The contribution requirements of plan members and the employer are established and may be amended by the Board. The Plan is substantially funded on a "pay-as-you-go" basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board designation.

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2024 plan year, the employer rate was approximately 83% of the total health insurance cost for eligible retirees and the retiree rate was approximately 17%. For employees hired on or after January 1, 2013, and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2024, the University contributed \$6,334,973 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2023. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023.

At June 30, 2023, the University's proportion was 6.721731%, which was an increase of 0.185103% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized OPEB expense of \$(10,541,376). At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,169,819	\$ 1,631,520
Changes of assumptions	17,884,278	116,279,669
Net difference between projected and actual earnings on OPEB plan investments	968,373	—
Changes in proportion and differences between contributions and proportionate share of contributions	19,868,073	—
Contributions subsequent to the measurement date	6,334,973	—
Total	<u>\$ 54,225,516</u>	<u>\$ 117,911,189</u>

The University's contributions subsequent to the measurement date of \$6,334,973 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2025	\$	(20,817,717)
2026	\$	(21,293,534)
2027	\$	(17,693,893)
2028	\$	(8,931,605)
2029	\$	(1,283,897)

Actuarial assumptions

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of May 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Municipal Bond Index Rate; Discount Rate 3.69% Interest Rate as of 6/30/2022 of 3.54% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 5.40% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2023 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	1.63 %	70 %
Equity Allocation	4.52 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2027 is \$0, based on the valuation completed for the fiscal year ending June 30, 2023. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 5.40% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2023, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.69% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.65% from the Bond Buyers GO 20-Bond Municipal Bond Index).

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.69%) or 1 percentage-point higher (4.69%) than the current discount rate (3.69%):

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
Proportionate Share of the Net OPEB Liability	\$ 248,101,640	\$ 213,572,751	\$ 185,516,474

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 187,357,287	\$ 213,572,751	\$ 246,137,467
Pre-Medicare Eligible	6.7% decreasing to 3.5%	7.7% decreasing to 4.5%	8.7% decreasing to 5.5%
Medicare Eligible	1%	2%	3%

OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Annual Consolidated Financial Report which is publicly available at usg.edu/fiscal_affairs/financial_reporting/.

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2024 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 129,856,523	\$ 20,973,254	\$ 59,080,284	\$ 369,057	\$ 1,999,336
Research	21,800,584	5,078,047	5,504,497	8,591	532,824
Public Service	464,552	3,712,541	1,169,302	59,082	119,054
Academic Support	13,246,390	34,582,878	14,278,224	162,580	401,362
Student Services	473,395	29,935,911	9,773,597	50,670	233,512
Institutional Support	1,427,515	28,171,671	14,838,236	1,421,979	262,282
Plant Operations and Maintenance	97,400	17,008,872	6,268,341	—	48,328
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	194,285	25,848,017	8,132,554	371,519	473,311
Total Operating Expenses	\$ 167,560,644	\$ 165,311,191	\$ 119,045,035	\$ 2,443,478	\$ 4,070,009

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 812,972	\$ 355,788	\$ 11,630,669	\$ 3,154,410	\$ 228,232,293
Research	1,399,931	33,677	5,100,415	1,419,718	40,878,284
Public Service	172,005	9,081	3,613,846	37,125	9,356,588
Academic Support	1,900	138,205	28,259,945	4,405,295	95,476,779
Student Services	64,630	758,693	9,702,898	3,819,154	54,812,460
Institutional Support	8,750	1,101,286	17,786,715	2,593,905	67,612,339
Plant Operations and Maintenance	—	6,355,336	19,831,564	13,473,335	63,083,176
Scholarships and Fellowships	41,294,745	—	—	—	41,294,745
Auxiliary Enterprises	4,961,006	5,612,427	57,485,942	12,668,071	115,747,132
Total Operating Expenses	\$ 48,715,939	\$ 14,364,493	\$ 153,411,994	\$ 41,571,013	\$ 716,493,796

Note 19 Subsequent Event

Kennesaw State University has no subsequent events.

Note 20 Component Unit

Kennesaw State University Foundation, Inc.

The Kennesaw State University Foundation (KSUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The relationship between Kennesaw State University and the Kennesaw State University Foundation, Inc. is such that exclusion of KSUF financial statements from these departmental financial statements would render them misleading. KSUF met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600.

The KSUF acts primarily as a fund-raising and financing organization to supplement the resources that are available to the Kennesaw State University in support of its programs. During the year ended June 30, 2024, the KSUF distributed approximately \$11,646,353 to Kennesaw State University in support of capital outlay projects, scholarships and other supporting activities.

The University manages the operations of the Foundation-owned housing for a management fee. The budgeted dollar amount as well as the management fee received from Foundation was accounted as Other Grants and Contract revenues by the University offset by the expenses incurred by University to manage the housing.

The KSUF has an unused line of credit in the amount of \$4,299,425.

The KSUF's outstanding bonds payable are secured with collateral related to real property.

Component unit's investments are comprised of the following amounts at June 30, 2024:

	Fair Value
Investment type	
Debt Securities	
U.S. Treasuries	\$ 218,443
Explicitly Guaranteed	13,872,320
Corporate Debt	21,590,867
Money Market Mutual Funds	6,082,642
Mutual Bond Funds	13,584,124
Other Investments	
Equity Mutual Funds - Domestic	7,891,601
Equity Mutual Funds - International	58,222,870
Hedge Funds	12,096,044
Private Equities	6,549,740
Private Equity Limited Partnerships	1,930,311
Real Estate Investment Trusts	5,732,364
Real Asset Limited Partnerships	6,635,249
Venture Capital Equity Funds	6,469,961
Total Investments	<u>\$ 160,876,536</u>

Component unit's endowments are comprised of the following amounts at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	\$ 421,940	\$ 105,912,597	\$ 106,334,537
Contributions	—	2,725,343	2,725,343
Net realized and unrealized gains	39,298	11,667,403	11,706,701
Appropriation of endowment assets for expenditure	(1,990)	(2,714,322)	(2,716,312)
Transfers to comply with donor intent	(65,000)	540,977	475,977
Other	653,900	—	653,900
Ending	<u>\$ 1,048,148</u>	<u>\$ 118,131,998</u>	<u>\$ 119,180,146</u>

Amounts due to component unit related to investments in financing lease arrangements as of June 30, 2024, is as follows:

	Principal	Interest	Total
Year Ending June 30:			
2025	\$ 8,709,207	\$ 8,193,681	\$ 16,902,888
2026	9,092,246	7,820,798	16,913,044
2027	9,492,996	7,430,948	16,923,944
2028	9,069,916	7,033,057	16,102,973
2029	9,470,077	6,647,112	16,117,189
2030 through 2034	45,162,756	27,557,191	72,719,947
2035 through 2039	53,792,015	16,878,879	70,670,894
2040 through 2044	38,052,823	6,633,773	44,686,596
2045 through 2049	10,474,379	1,995,409	12,469,788
2050 through 2054	7,135,481	387,290	7,522,771
Total Minimum Lease Payments to be Received	<u>\$ 200,451,896</u>	<u>\$ 90,578,138</u>	<u>\$ 291,030,034</u>

Component unit's capital assets are comprised of the following amounts at June 30, 2024:

Capital Assets not being Depreciated:	
Land	\$ 3,981,704
Capitalized Collections	1,298,388
Construction Work-in-Progress	780,900
Total Capital Assets not being Depreciated	<u>6,060,992</u>
Capital Assets being Depreciated:	
Building and Building Improvements	140,170,422
Equipment	13,057,042
Software	82,581
Total Capital Assets being Depreciated	<u>153,310,045</u>
Less Total Accumulated Depreciation	<u>92,380,680</u>
Total Capital Assets being Depreciated, Net	<u>60,929,365</u>
Capital Assets, Net	<u>\$ 66,990,357</u>

Combined component unit's intangible right-to-use assets are comprised of the following amounts at June 30, 2024:

Intangible Right-to-use Assets, Being Amortized	
Facilities and Other Improvements	\$ 4,903,107
Total Intangible Right-to-Use Assets, Being Amortized	<u>4,903,107</u>
Less: Accumulated Amortization	
Facilities and Other Improvements	927,151
Total Accumulated Amortization	<u>927,151</u>
Total Intangible Right-to-use Assets, Being Amortized, Net	<u>3,975,956</u>
Intangible Right-to-use Assets, Net	<u>\$ 3,975,956</u>

Component unit's long-term liabilities are comprised of the following amounts at June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Lease Obligation	\$ 4,287,903	\$ —	\$ 226,529	\$ 4,061,374	\$ 238,002
Notes and Loans Payable	—	700,575	—	700,575	700,575
Revenue/Mortgage Bonds Payable	312,035,000	—	12,120,000	299,915,000	13,375,000
Bond - Premium	12,635,456	—	2,167,316	10,468,140	—
Bond - (Discount and Issuance Cost)	(3,853,487)	—	(390,855)	(3,462,632)	—
Total Long Term Liabilities	<u>\$ 325,104,872</u>	<u>\$ 700,575</u>	<u>\$ 14,122,990</u>	<u>\$ 311,682,457</u>	<u>\$ 14,313,577</u>

Component unit's lease obligations are comprised of the following amounts at June 30, 2024:

	Principal	Interest	Total
Year ending June 30:			
2025	\$ 238,002	\$ 69,025	\$ 307,027
2026	248,371	64,864	313,235
2027	253,545	60,571	314,116
2028	258,820	56,191	315,011
2029	264,196	51,723	315,919
2030 through 2034	1,405,359	188,339	1,593,698
2035 through 2039	1,161,217	73,355	1,234,572
2040 through 2044	231,864	1,980	233,844
Total minimum lease payments	<u>\$ 4,061,374</u>	<u>\$ 566,048</u>	<u>\$ 4,627,422</u>

Combined component unit's notes and loans payable are comprised of the following amounts at June 30, 2024:

	Principal	Interest	Total
Year ending June 30:			
2025	\$ 700,575	\$ 543	\$ 701,118
Total Notes and Loans Payable	<u>\$ 700,575</u>	<u>\$ 543</u>	<u>\$ 701,118</u>

Component unit's bonds payable are comprised of the following amounts at June 30, 2024:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2025	\$ 13,375,000	\$ 12,393,181	\$ 25,768,181
2026	13,985,000	11,759,062	25,744,062
2027	15,055,000	11,091,761	26,146,761
2028	14,475,000	10,394,610	24,869,610
2029	15,155,000	9,696,246	24,851,246
2030 through 2034	80,460,000	37,605,613	118,065,613
2035 through 2039	84,960,000	19,088,191	104,048,191
2040 through 2044	40,525,000	6,711,622	47,236,622
2045 through 2049	13,240,000	2,439,293	15,679,293
2050 through 2054	<u>8,685,000</u>	<u>665,400</u>	<u>9,350,400</u>
	\$ 299,915,000	\$ 121,844,979	\$ 421,759,979
Bond Premium	10,468,140		10,468,140
Bond (Discount)	<u>(3,462,632)</u>		<u>(3,462,632)</u>
	<u>\$ 306,920,508</u>	<u>\$ 121,844,979</u>	<u>\$ 428,765,487</u>



REQUIRED

SUPPLEMENTARY

INFORMATION

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
FOR THE LAST TEN FISCAL YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2024	\$ 62,285	\$ 62,285	\$ —	\$ 212,215	29.35%
	June 30, 2023	\$ 61,702	\$ 61,702	\$ —	\$ 198,975	31.01%
	June 30, 2022	\$ 79,453	\$ 79,453	\$ —	\$ 322,586	24.63%
	June 30, 2021	\$ 104,701	\$ 104,701	\$ —	\$ 424,578	24.66%
	June 30, 2020	\$ 102,597	\$ 102,597	\$ —	\$ 457,657	22.42%
	June 30, 2019	\$ 96,890	\$ 96,890	\$ —	\$ 329,046	29.45%
	June 30, 2018	\$ 33,651	\$ 33,651	\$ —	\$ 137,017	24.56%
	June 30, 2017	\$ 49,098	\$ 49,098	\$ —	\$ 198,195	24.77%
	June 30, 2016	\$ 39,126	\$ 39,126	\$ —	\$ 158,275	24.72%
	June 30, 2015	\$ 23,268	\$ 23,268	\$ —	\$ 105,956	21.96%
Teachers' Retirement System	June 30, 2024	\$ 33,763,879	\$ 33,763,879	\$ —	\$ 168,988,383	19.98%
	June 30, 2023	\$ 30,551,245	\$ 30,551,245	\$ —	\$ 152,909,134	19.98%
	June 30, 2022	\$ 26,466,513	\$ 26,466,513	\$ —	\$ 133,593,648	19.81%
	June 30, 2021	\$ 23,680,274	\$ 23,680,274	\$ —	\$ 124,240,682	19.06%
	June 30, 2020	\$ 26,588,070	\$ 26,588,070	\$ —	\$ 125,771,381	21.14%
	June 30, 2019	\$ 25,259,080	\$ 25,259,080	\$ —	\$ 121,159,582	20.85%
	June 30, 2018	\$ 19,646,648	\$ 19,646,648	\$ —	\$ 116,891,631	16.81%
	June 30, 2017	\$ 14,757,957	\$ 14,757,957	\$ —	\$ 103,247,814	14.29%
	June 30, 2016	\$ 13,576,004	\$ 13,576,004	\$ —	\$ 95,179,702	14.26%
	June 30, 2015	\$ 11,607,133	\$ 11,607,133	\$ —	\$ 88,267,171	13.15%

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST TEN FISCAL YEARS**

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2024	0.007249%	\$ 432,446	\$ 198,975	217.34%	71.20%
	June 30, 2023	0.012861%	\$ 858,917	\$ 322,586	266.26%	67.44%
	June 30, 2022	0.017099%	\$ 399,929	\$ 424,578	94.19%	87.62%
	June 30, 2021	0.017383%	\$ 732,686	\$ 457,657	160.10%	76.21%
	June 30, 2020	0.014079%	\$ 580,974	\$ 329,046	176.56%	76.74%
	June 30, 2019	0.005372%	\$ 220,845	\$ 137,017	161.18%	76.68%
	June 30, 2018	0.008080%	\$ 328,156	\$ 198,195	165.57%	76.33%
	June 30, 2017	0.006807%	\$ 322,000	\$ 158,275	203.44%	72.34%
	June 30, 2016	0.004634%	\$ 187,742	\$ 105,956	177.19%	76.20%
	June 30, 2015	0.735200%	\$ 282,497	\$ 169,321	166.84%	77.99%
Teachers Retirement System	June 30, 2024	1.051588%	\$ 310,473,943	\$ 152,909,134	203.04%	76.29%
	June 30, 2023	0.985529%	\$ 320,020,317	\$ 133,593,648	239.55%	72.85%
	June 30, 2022	0.959470%	\$ 84,858,722	\$ 124,240,682	68.30%	92.03%
	June 30, 2021	0.970005%	\$ 234,973,177	\$ 125,771,381	186.83%	77.01%
	June 30, 2020	0.991055%	\$ 213,103,623	\$ 121,159,582	175.89%	78.56%
	June 30, 2019	0.980684%	\$ 182,035,957	\$ 116,891,631	155.73%	80.27%
	June 30, 2018	0.898854%	\$ 167,054,784	\$ 103,247,814	161.80%	79.33%
	June 30, 2017	0.866499%	\$ 178,768,405	\$ 95,179,702	187.82%	76.06%
	June 30, 2016	0.835486%	\$ 127,194,447	\$ 88,267,171	144.10%	81.44%
	June 30, 2015	0.823564%	\$ 104,046,449	\$ 66,613,266	156.19%	81.03%

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes of assumptions

Employees' Retirement System:

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to the rates of mortality, retirement, withdrawal, and salary increases. This also included a change in the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

Teachers Retirement System:

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On May 11, 2022, the Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST EIGHT FISCAL YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2024	\$ 6,334,973	\$ 6,334,973	\$ —	\$ 300,779,786	2.11%
June 30, 2023	\$ 6,821,622	\$ 6,821,622	\$ —	\$ 274,619,299	2.48%
June 30, 2022	\$ 9,565,891	\$ 9,565,891	\$ —	\$ 260,415,130	3.67%
June 30, 2021	\$ 7,471,326	\$ 7,471,326	\$ —	\$ 234,273,937	3.19%
June 30, 2020	\$ 6,388,334	\$ 6,388,334	\$ —	\$ 228,397,295	2.80%
June 30, 2019	\$ 9,940,821	\$ 9,940,821	\$ —	\$ 219,848,409	4.52%
June 30, 2018	\$ 9,499,540	\$ 9,499,540	\$ —	\$ 211,487,878	4.49%
June 30, 2017	\$ 5,809,862	\$ 5,809,862	\$ —	\$ 192,024,215	3.03%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SEVEN FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2024	6.721731%	\$ 213,572,751	\$ 274,619,299	77.77%	6.44%
June 30, 2023	6.536627%	\$ 258,936,845	\$ 260,415,130	99.43%	5.08%
June 30, 2022	6.365036%	\$ 320,357,393	\$ 234,273,937	136.74%	3.74%
June 30, 2021	6.214816%	\$ 331,480,838	\$ 228,397,295	145.13%	2.91%
June 30, 2020	6.198176%	\$ 277,155,654	\$ 219,848,409	126.07%	3.13%
June 30, 2019	5.996430%	\$ 264,487,602	\$ 211,487,878	125.06%	1.69%
June 30, 2018	5.834138%	\$ 246,184,631	\$ 192,024,215	128.20%	0.19%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**KENNESAW STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Assumptions Since Prior Valuation

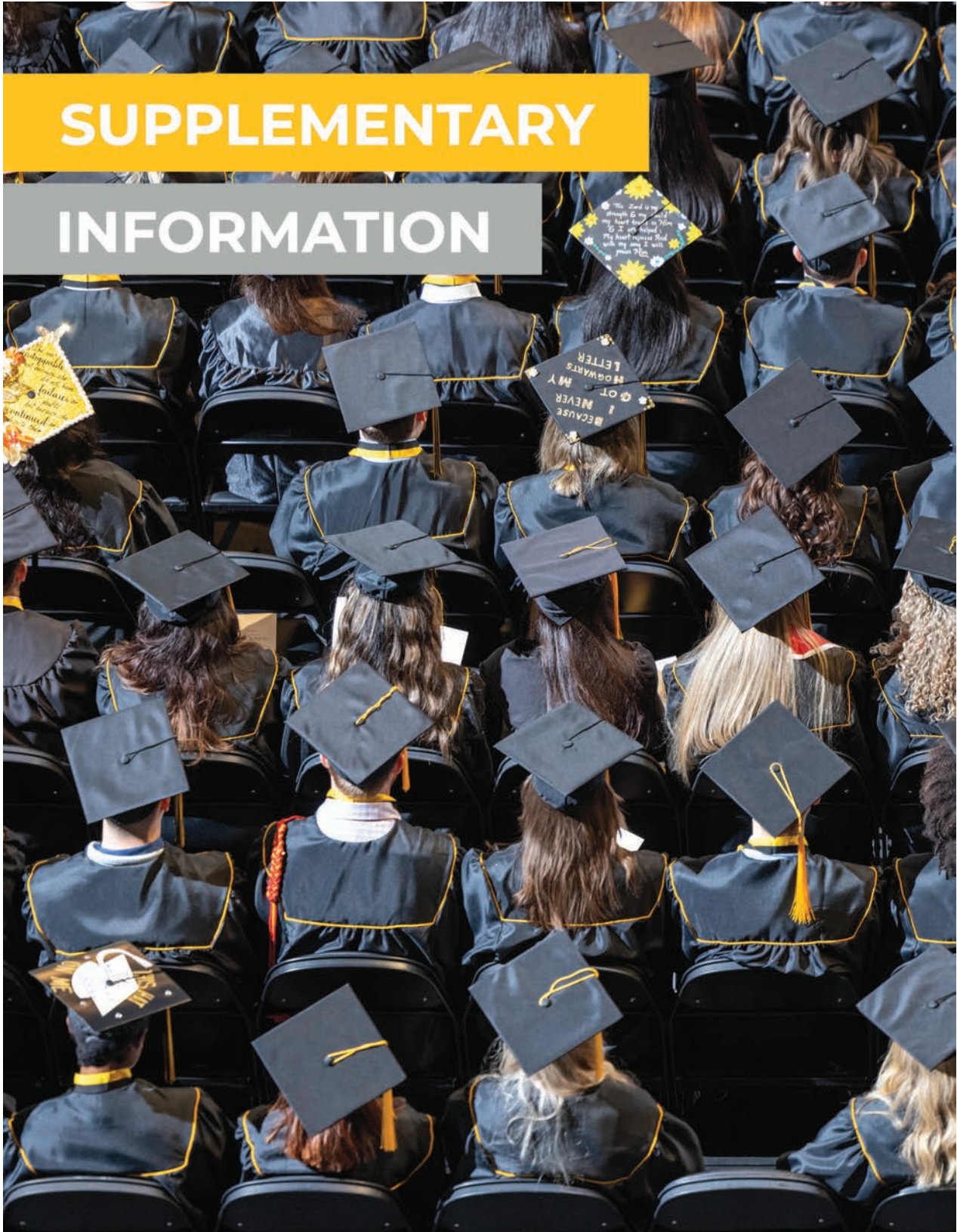
The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.



**KENNESAW STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2024
(UNAUDITED)**

ASSETS

Cash and Cash Equivalents	\$	97,508,179.90
Investments		101,030.34
Accounts Receivable		
Federal Financial Assistance		7,261,565.77
Other		18,611,405.20
Prepaid Expenditures		355,996.13
Other Assets		11,600.00
		<hr/>
Total Assets	\$	<u><u>123,849,777.34</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	445,358.23
Encumbrance Payable		66,132,216.33
Accounts Payable		4,114,039.83
Unearned Revenue		14,979,769.52
Funds Held for Others		553,318.75
Other Liabilities		6,110.61
		<hr/>
Total Liabilities		<u>86,230,813.27</u>

Fund Balances

Reserved		
Department Sales and Services		11,315,222.24
Indirect Cost Recoveries		5,490,690.40
Technology Fees		1,586,841.10
Restricted/Sponsored Funds		8,574,756.07
Uncollectible Accounts Receivable		4,583,162.87
Tuition Carry - Forward		5,684,036.84
Unreserved		
Surplus		384,254.55
		<hr/>
Total Fund Balances		<u>37,618,964.07</u>

Total Liabilities and Fund Balances	\$	<u><u>123,849,777.34</u></u>
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**KENNESAW STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives				
State Appropriation				
State General Funds	\$ 929,663.00	\$ 929,663.00	\$ 929,663.00	\$ —
Teaching				
State Appropriation				
State General Funds	239,347,134.00	249,379,472.00	249,379,472.00	—
Federal Funds				
Federal Funds Not Specifically Identified	79,609,492.00	108,774,957.00	104,022,455.67	—
Federal Funds - COVID19				
Federal Funds Not Specifically Identified - COVID		640,520.00	637,486.30	14,053.64
Other Funds	254,456,049.00	312,001,968.00	286,790,307.59	37,078,213.23
Total Teaching	573,412,675.00	670,796,917.00	640,829,721.56	37,092,266.87
Total Operating Activity	\$ 574,342,338.00	\$ 671,726,580.00	\$ 641,759,384.56	\$ 37,092,266.87

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**KENNESAW STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ 929,663.00	\$ —	\$ 929,494.48	\$ 168.52	\$ 168.52
Teaching						
State Appropriation						
State General Funds	—	249,379,472.00	—	249,379,472.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	104,022,455.67	(4,752,501.33)	104,022,455.67	4,752,501.33	—
Federal Funds - COVID19						
Federal Funds Not Specifically Identified - COVID	—	651,539.94	11,019.94	637,486.09	3,033.91	14,053.85
Other Funds	—	323,868,520.82	11,866,552.82	292,608,652.83	19,393,315.17	31,259,867.99
Total Teaching	—	677,921,988.43	7,125,071.43	646,648,066.59	24,148,850.41	31,273,921.84
Total Operating Activity	\$ —	\$ 678,851,651.43	\$ 7,125,071.43	\$ 647,577,561.07	\$ 24,149,018.93	\$ 31,274,090.36

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**KENNESAW STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2023 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —
Teaching					
State Appropriation					
State General Funds	48,202.14	—	(48,202.14)	162,102.66	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Federal Funds - COVID19					
Federal Funds Not Specifically Identified- COVID	14,053.64	(14,053.64)	—	(14,053.85)	—
Other Funds	37,249,090.39	(37,078,213.23)	(170,877.16)	1,757,965.83	(144,303.80)
Total Teaching	37,311,346.17	(37,092,266.87)	(219,079.30)	1,906,014.64	(144,303.80)
Total Operating Activity	37,311,346.17	(37,092,266.87)	(219,079.30)	1,906,014.64	(144,303.80)
Prior Year Reserves					
Not Available for Expenditure					
Uncollectible Accounts Receivable	4,438,859.07				144,303.80
Budget Unit Totals	\$ 41,750,205.24	\$ (37,092,266.87)	\$ (219,079.30)	\$ 1,906,014.64	\$ —

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**KENNESAW STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Early Return of Fiscal Year 2024 Surplus	Excess of Funds Available Over Expenditures	Ending Fund Balance June 30, 2024	Analysis of Ending Fund Balance			
				Reserved	Surplus	Total	
Public Service / Special Funding Initiatives							
State Appropriation							
State General Funds	\$ —	\$ 168.52	\$ 168.52	\$ —	\$ 168.52	\$ 168.52	
Teaching							
State Appropriation							
State General Funds	—	—	162,102.66	—	162,102.66	162,102.66	
Federal Funds							
Federal Funds Not Specifically Identified	—	—	—	—	—	—	
Federal Funds - COVID19							
Federal Funds Not Specifically Identified- COVID	—	14,053.85	—	—	—	—	
Other Funds	—	31,259,867.99	32,873,530.02	32,651,546.65	221,983.37	32,873,530.02	
Total Teaching	—	31,273,921.84	33,035,632.68	32,651,546.65	384,086.03	33,035,632.68	
Total Operating Activity	—	31,274,090.36	33,035,801.20	32,651,546.65	384,254.55	33,035,801.20	
Prior Year Reserves							
Not Available for Expenditure							
Uncollectible Accounts Receivable	—	—	4,583,162.87	4,583,162.87	—	4,583,162.87	
Budget Unit Totals	\$ —	\$ 31,274,090.36	\$ 37,618,964.07	\$ 37,234,709.52	\$ 384,254.55	\$ 37,618,964.07	
				Departmental Sales and Services	\$ 11,315,222.24	\$ —	\$ 11,315,222.24
				Indirect Cost Recovery	5,490,690.40	—	5,490,690.40
				Technology Fees	1,586,841.10	—	1,586,841.10
				Restricted/Sponsored Funds	8,574,756.07	—	8,574,756.07
				Tuition Carry-Forward	5,684,036.84	—	5,684,036.84
				Uncollectible Accounts Receivable	4,583,162.87	—	4,583,162.87
				Surplus	—	384,254.55	384,254.55
					<u>\$ 37,234,709.52</u>	<u>\$ 384,254.55</u>	<u>\$ 37,618,964.07</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

KENNESAW CAMPUS

1000 Chastain Road
Kennesaw, GA 30144
470-578-6000

MARIETTA CAMPUS

1100 South Marietta Pkwy
Marietta, GA 30060
470-578-6000



KENNESAW STATE
UNIVERSITY

kennesaw.edu

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APPENDIX C
FORM OF GROUND LEASE

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No. ____ of Two Executed Original Counterparts.
COUNTERPART OF _____.

STATE OF GEORGIA:
COUNTY OF FULTON:

GROUND LEASE
(Student Housing- KSU Summit II)

THIS GROUND LEASE (hereinafter referred to as the “Ground Lease” or the “Lease”) is made and entered this _____ day of _____, 2025, by and between the **BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA**, whose address for purposes of this Lease is: Attention: Vice Chancellor for Real Estate and Facilities, 270 Washington Street, S.W., Atlanta, Georgia 30334, Party of the First Part, (hereinafter referred to as “Lessor”), and **KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC**, a Georgia limited liability company whose address for purposes of this Lease is 1000 Chastain Road, MD 9101, Kennesaw, Georgia 30144-5591, Attn: Lance Burchett (hereinafter referred to as “Lessee”), for the use of certain real property located on the campus of Kennesaw State University, a unit of the University System of Georgia (hereinafter referred to as “Institution”).

W I T N E S S E T H T H A T:

WHEREAS, Lessor is the owner of certain Premises consisting of approximately 0.47 acres to be improved with one student housing building and related amenities situated on the campus of the Institution, more particularly described in Exhibit “A” attached hereto (hereinafter referred to as the “Premises”); and

WHEREAS, Lessee desires to lease the Premises from Lessor; and

WHEREAS, at its meeting of _____, 2025, Lessor determined the Premises to no longer be advantageously useful to the Institution or other units of the University System, but only for the purpose of constructing, owning, operating and maintaining student housing with approximately 462 beds for use by students of the Institution; and further approved the leasing of the Premises to Lessee under the conditions set forth in this Lease; and

WHEREAS, Lessor’s leasing of the Premises is for the purposes of constructing, owning, operating and maintaining student housing with approximately 462 beds for the benefit of the Institution.

NOW, THEREFORE, in consideration of the mutual promises herein contained, upon the following terms and conditions to be paid and kept by Lessee, Lessor grants and leases, and Lessee does hereby accept, take and lease, the Premises from Lessor. This Lease creates in Lessee an estate for years.

1.

USE OF PROPERTY

1.1 The Premises shall be used by Lessee for the purpose of constructing, owning, operating and maintaining a student housing facility with approximately 462 beds (hereinafter the "Improvements"). The Improvements shall be constructed pursuant to the program, plans and specifications identified in Exhibit "C" attached hereto approved by Lessor. Upon completion of construction of the Improvements, the Premises may be modified as set forth in Section 9.7.

1.2 Without limitation of the foregoing, Lessee shall not: (a) use the Premises or Improvements for any illegal purpose, nor for any purpose inimical to the health, safety and welfare of the public, or (b) commit, or suffer to be committed, any waste in or on the Premises and Improvements, nor shall it create or permit any nuisance in or on the Premises.

1.3 Lessor retains a non-exclusive easement on, over, under, upon, across, or through the Premises together with the right of ingress and egress to adjoining land of Lessor as may be reasonably necessary for Lessor to operate the Institution provided the use of such easement by Lessor does not unreasonably interfere with Lessee's construction, operation, maintenance or use of the Premises. Lessor retains non-exclusive easements to all utility lines crossing the Premises that provide service to the property owned by Lessor surrounding the Premises; such easements shall include the ability of Lessor to maintain, repair and replace such utilities.

2.

OCCUPANCY

Lessee shall occupy the Premises continuously throughout the Term of this Lease and shall not desert, surrender, abandon or cease using the Premises during the Term of this Lease. As hereinafter used, "Term" shall collectively refer to the Construction Term, the Primary Term and any extension thereof.

3.

RENT

For and as rent for the Premises, Lessee covenants and agrees to keep each and every term and condition of this Lease required to be kept by Lessee, each of which shall constitute rent for the Premises, in addition to payment by Lessee to Lessor of the following amounts of rent:

3.1 Lessee shall pay in advance to Lessor the sum of TEN DOLLARS (\$10.00) per year, payable in advance upon execution of this Lease.

3.2 Lessee shall also pay to Lessor, as additional rent, all costs and expenses which Lessor incurs as a result of any default of Lessee or failure on the part of Lessee to comply with any provisions of this Lease.

4.

TERM AND TERMINATION

4.1 Unless sooner terminated as hereinafter provided, the Construction Term shall begin upon the execution of this Lease and shall end at 11:59 P.M. prevailing legal time in Atlanta, Georgia, on the last day preceding the Commencement Date of the Primary Term, as set forth in Section 4.2; provided, however that unless an extension of the Construction Term is agreed to by Lessor, the Construction Term shall terminate automatically, if construction is not completed, or is suspended without the consent of the Lessor for period in excess of six (6) months without further action by either party, at midnight on the day before the second (2nd) anniversary of the commencement of the Construction Term, and Lessor, at its option, may terminate the Lease.

4.2 The Primary Term of this Lease shall begin upon the first day of the first month after issuance of a certificate of occupancy for the Improvements (the "Commencement Date") but in no event shall the Commencement Date be prior to July 1, 2026. The Primary Term shall end at 11:59 P.M. prevailing legal time in Atlanta, Georgia, on the day before the thirtieth (30th) anniversary of the Commencement Date, unless sooner terminated as hereinafter provided. Lessee may terminate this Lease during the Primary Term only upon thirty (30) days written notice to Lessor and, subject to Lessor's rights under Section 9.3, conveyance to Lessor of all right and title to all improvements then existing on the Premises free and clear of any liens or encumbrances, providing that so long as any leasehold security deed exists (as specifically permitted under this Lease), Lessee may not terminate this Lease without the written consent and concurrence of the holder of such security deed including the cancellation of any security interest held upon the leasehold interest and conveyance to Lessor of all right and title to all improvements then existing on the Premises.

4.3 The termination date of the Primary Term shall be extended, upon the request of Lessee, for one extension period of up to five (5) years, and such request must be made to Lessor at least ninety (90) days, but no more than 180 days, prior to the termination date. Any outstanding obligation of the Lessee to pay an amount secured directly or indirectly by any leasehold security deed permitted under this Lease is sufficient grounds that Lessor shall grant an extension provided that any such extension for this purpose shall terminate on the earlier to occur of (a) the end of any such extension period, or (b) the date of repayment in full of the secured indebtedness and release of the leasehold security deed.

4.4 Upon expiration of this Lease (including any renewals or extensions thereof), if and only if Lessor determines the continued rental of the Premises is in the best interest of the Institution and the University System, Lessor may grant Lessee a usufruct in the Premises for fair market rental value and under terms to be mutually agreed upon by Lessor and Lessee.

4.5 Subject to Sections 4.3, 4.4 and 9.3, upon expiration or termination of this Lease, all rights and interests of Lessee (and all persons whomsoever claiming by, under or through Lessee) in and to the Premises and the Improvements shall wholly cease and title to the Premises and the Improvements, including but not limited to all permanent improvements, erections and

additions constructed on the Premises by Lessee, shall vest in Lessor without further act or conveyance, and without liability to make compensation therefore to Lessee or to anyone whatsoever, and shall be free and discharged from all and every lien, encumbrance, claim and charge of any character created or attempted to be created by Lessee at any time other than pursuant to the specific terms of this Lease. This provision shall not relieve Lessee from liability for having left the Premises or the Improvements in unsound or unsafe condition or with encumbered title. Lessee, upon the request of Lessor, covenants and agrees to execute a quitclaim deed releasing all such rights in the Premises and the Improvements in a form and substance acceptable to Lessor.

4.6 Subject to Section 9.5, in addition to the termination provisions set forth in Section 4.2, if Lessee shall, after ten (10) days' notice thereof, default in the performance of any of the stipulations, covenants, terms, conditions, agreements or provisions of this Lease; then and in any of the above events, Lessor, at its option, may at once or thereafter (but only during the continuance of such default), terminate this Lease. Upon such termination by default the provisions of Section 4.5 shall apply and Lessor may forthwith re-enter the Premises and repossess itself and remove all persons and effects therefrom, using such force as may be necessary without being guilty of trespass, forcible entry, detainer or other tort.

5.
RESERVED

6.
HOLDING OVER

Lessee shall not use or remain in possession of the Premises after the termination of this Lease. Any holding over or continued use and/or occupancy of the Premises by Lessee after the expiration or any termination of the Primary Term of this Lease, without consent from Lessor, shall not constitute a Tenancy-At-Will in Lessee, but Lessee shall be a Tenant-At-Sufferance, subject to the provisions of Section 4.

7.
INSPECTION AND TITLE

Lessee hereby acknowledges that it has fully inspected the Premises and that the Premises and title to the Premises is accepted and is in satisfactory and a suitable condition for the use intended by Lessee as hereinabove provided for in this Lease.

8.
NO JOINT VENTURE

Nothing contained in this Lease shall make, or shall be construed to make, Lessor or Institution and Lessee partners in, of, or joint venturers with each other, nor shall anything contained in this Lease render, or shall be construed to render, either Lessor, Institution or Lessee liable to a third party for the debts or obligations of the other.

9.

IMPROVEMENTS

9.1 Lessee shall construct during the Construction Term, at its sole cost and expense, the Improvements specified and described in the program, plans and specifications identified in Exhibit "C" attached hereto, including such temporary or permanent improvements, erections, additions and alterations as are necessary to adapt the Premises and Improvements for use as student housing and related amenities. After obtaining permission for demolition from Lessor Lessee shall, at its sole cost and expense, demolish any necessary existing improvements or structures on the Premises to facilitate the construction contemplated herein, including the clearing, grubbing and preparation of the Premises for construction of the Improvements. All Improvements and facilities shall be constructed wholly within the boundary lines of the Premises and each shall be a self-contained, complete unit and shall not be tied into or have any physical connection with any structure located on any other property of Lessor.

9.2 Title to the Improvements shall vest in Lessee until the end of the Primary Term, unless sooner terminated pursuant to the terms of this Lease. Lessee covenants and agrees to convey all of Lessee's right, title and interests, free and clear of all liens and security interests, and subject to Section 4.4, surrender possession of the Premises and Improvements, at the expiration of the Primary Term, or at such date of earlier termination pursuant to the provisions of this Lease. Any and all temporary improvements, erections or additions constructed on the Premises by Lessee, which are not a part of the Improvements as specified in Section 9.1, shall continue to be and remain the property of Lessee, and may be removed by the Lessee, in whole or in part, at any time before the termination of this Lease. If Lessee removes any or all temporary improvements, erections or additions it has constructed on the Premises, Lessee agrees to repair any and all damage resulting to the Premises and the Improvements from such removal.

9.3 Upon the expiration (including any renewal periods) or earlier termination of this Lease, Lessor may, at the option of Lessor, notify Lessee that any or all improvements, temporary and permanent, placed upon the Premises by Lessee should be removed at the expiration or earlier termination of the Lease in which event Lessee shall remove such improvements. Lessee shall not begin the removal or demolition of any improvements prior to the expiration or earlier termination date: provided that all improvements shall be removed as expeditiously as possible. Lessor herein grants to Lessee a license to enter the Premises, said license shall take effect upon the termination or expiration of this Lease for the sole and exclusive purpose of removing such improvements. Lessee's right to use said license is contingent upon Lessor's notification to Lessee that permanent improvements shall be removed from the Premises.

9.4 Lessee, at all times during the Term of this Lease, at its sole cost and expense, shall keep the Premises and the Improvements in good order, condition and repair, ordinary wear and tear excepted. Lessee's obligations hereunder include, without limitation, all necessary repairs and replacements of the Premises, structural or otherwise, ordinary or extraordinary, foreseen and unforeseen, including but not limited to the exterior and interior windows, doors and entrances, signs, floor coverings, columns, and partitions, and lighting, heating, plumbing and sewage facilities, and air conditioning equipment. Lessor shall not be required to make any repairs of any kind or nature, in, on or to the Premises during the Term of this Lease.

9.5 Lessee shall have the right to mortgage and/or otherwise encumber the Premises and Improvements to the extent of its leasehold interest only. Lessor hereby consents to the encumbrance of the Premises during the Construction Term for the purpose of construction and during the Primary Term for permanent financing of the Improvements to the Premises contemplated by this Section 9. Lessor agrees to give any lender written notice of any default by Lessee under this Lease, provided lender has given Lessor timely notice of lender and lender's contact information and timely notice of any change in lender or lender's contact information, and lender shall have a period of time after lender's receipt of the notice of default (thirty (30) days in the case of a default in the payment of any sum due hereunder; sixty (60) days in the case of all other defaults) in which to cure, or to cause to be cured, any such default, before Lessor may exercise any right or remedy hereunder or as otherwise available to Lessor. Notwithstanding any other provision of this Lease, Lessor shall not be required to subordinate this Lease to any other interest of any person or entity lending money for the Improvements, and all such interests or instruments shall be subordinate to this Lease. If any lender requires recordation of this Lease, both parties hereby consent to such recordation, and either party may record this Lease in that event. Lessee shall not permit any liens to be placed against the Premises, and if such liens are filed, Lessee shall cause prompt removal of such liens.

9.6 Reserved.

9.7 Upon completion of construction of the Improvements, but not later than ninety (90) days after termination of the Construction Term, Lessee shall provide, at its sole cost and expense, "as built" drawings and plats of the Premises and the Improvements. Should the Premises as described on Exhibit "A" not be fully utilized by the Improvements, then Lessee covenants and agrees to resurvey the portion of the Premises used by the Improvements and to then convey the unused portion of the Premises back to Lessor, at which time this Lease shall be modified so that the Premises subject to the Primary Term is the "as built" property utilized by the Improvements.

10.

INDEMNIFICATION AND HOLD HARMLESS

10.1 In consideration of the benefits to be derived herefrom, Lessee shall be responsible to the Lessor during the Term of this Lease for all injury or damage of any kind resulting from any negligent act or omission or breach, failure or other default regarding the occupancy of the Premises by the Lessee, or any of its subcontractors, its agents, employees or others working at the direction of Lessee or on its behalf, regardless of who may be the owner of the property. The Lessee is responsible for insuring its tools, equipment, fixtures, trade fixtures and personal property and Lessor shall not be liable for any loss or damage to such tools, equipment, fixtures and personal property.

10.2 Lessee hereby agrees to indemnify and hold harmless the Lessor, the Board of Regents of the University System of Georgia, the Institution, the State of Georgia and its departments, agencies and instrumentalities and all of their respective officers, members, employees, directors and agents (hereinafter collectively referred to as the "Indemnitees") from and against any and all claims, demands, liabilities, losses, costs or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and

attorneys' fees, arising out of or resulting from the performance of this Lease due to liability to a third party or parties, or due to any act or omission on the part of the Lessee, its agents, employees or others working at the direction of Lessee or on its behalf, or due to any breach of this Lease by the Lessee, or due to the application or violation of any pertinent Federal, State or local law, rule or regulation. This indemnification extends to the successors and assigns of the Lessee. This indemnification obligation survives the termination of this Lease and the dissolution or, to the extent allowed by law, the bankruptcy of the Lessee. If and to the extent such damage or loss (including costs and expenses) as covered by this indemnification is paid by the State Tort Claims Trust Fund, the State Insurance and Hazard Reserve Fund, and other self-insured funds (all such funds hereinafter collectively referred to as the "Funds") established and maintained by the State of Georgia Department of Administrative Services (hereinafter "DOAS") the Lessee agrees to reimburse the Funds for such monies paid out by the Funds.

10.2.1 This indemnification applies where the Indemnitees are partially responsible for the situation giving rise to the claim, provided however, that this indemnification does not apply to the extent of the sole negligence of the Indemnitees.

10.2.2 This indemnification does not extend beyond the scope of this Lease and the work undertaken thereunder. Nor does this indemnification extend to claims for losses or injuries or damages incurred directly by the Indemnitees due to breach or default by the Indemnitees under the terms and conditions of this Lease.

11. INSURANCE

11.1 Insurance Certificates. Unless waived in writing, or otherwise provided by the Lessor the Lessee shall, prior to the commencement of work, procure the insurance coverages identified below at the Lessee's own expense and shall furnish the Lessor an insurance certificate listing the Lessor as the certificate holder. The insurance certificate must provide the following:

- (a) Name and address of authorized agent
- (b) Name and address of insured
- (c) Name of insurance company(ies)
- (d) Description of policies
- (e) Policy Number(s)
- (f) Policy Period(s)
- (g) Limits of liability
- (h) Name and address of Lessor as certificate holder
- (i) Lease number, Name of Facility and Address of Premises
- (j) Signature of authorized agent
- (k) Telephone number of authorized agent
- (l) Mandatory forty-five (45) days' notice of cancellation/non-renewal (See Section 11.2(a)).

11.2 Policy Provisions. Each of the insurance coverages required below (i) shall be issued by a company licensed by the Insurance Commissioner to transact the business of insurance in the State of Georgia for the applicable line of insurance, and (ii) shall be an insurer with a Best

Policyholders Rating of "A-" or better and with a financial size rating of Class VIII or larger. Each such policy shall contain the following provisions:

(a) The insurance company agrees that the policy shall not be canceled, changed, allowed to lapse, or allowed to expire until forty-five (45) days after the Lessor has received written notice thereof as evidenced by return receipt of registered letter or until such time as other insurance coverage providing protection equal to protection called for in this Lease shall have been received, accepted, and acknowledged by the Lessor. Such notice shall be valid only as to the Premises and the address of the Premises shall be required in said notice.

(b) The policy shall not be subject to invalidation as to any insured by reason of any act or omission of another insured or any of its officers, employees, agents or other representatives ("Separation of Insureds").

(c) Each insurer is hereby notified of the statutory requirements that the Attorney General of the State shall represent and defend the Indemnitees but will, without limiting the authority of the Attorney General, consider attorneys recommended by the insurance company for appointment as Special Assistant Attorney General to represent and defend the Indemnitees. The insurance company may, at the option of the Attorney General, have the right to participate in the defense of the Indemnitees. In the event of litigation, any settlement on behalf of the Indemnitees must be expressly approved by the Attorney General.

(d) Self-insured retention in any policy for "All Risk" shall not exceed \$100,000.00 except for Catastrophic Perils including Flood, Earthquake and Windstorm which shall not exceed \$250,000.00.

11.3 Insurance Coverages. The Lessee agrees to purchase and have the authorized agent state on the insurance certificate that the following types of insurance coverages, consistent with the policies and requirements of O.C.G.A. § 50-21-37, have been purchased by the Lessee, during the Construction Term and Primary Term of this Lease. The minimum required coverages and liability limits which may be amended from time to time during the term of this Ground Lease by Lessor to reflect then current reasonable and standard limits by giving Notice to Lessee pursuant to Section 20 and both parties shall execute an amendment to this Ground Lease to reflect the change are as follows:

(a) Workers' Compensation. In the event Lessee has employees, the Lessee agrees to provide Workers' Compensation coverage in accordance with the statutory limits as established by the General Assembly of the State of Georgia. A group-insurer must submit a certificate from the Georgia Board of Workers' Compensation approving the group insurance plan. A self-insurer must submit a certificate from the Georgia Board of Workers' Compensation stating the Lessee qualifies to pay its own workers' compensation claims. The Lessee shall require all subcontractors performing work or occupying the Premises under this Lease to obtain an insurance certificate showing proof of Workers' Compensation and shall submit a certificate on the letterhead of the Lessee in the following language prior to the commencement of the Construction Term:

“This is to certify that all contractors and subcontractors performing work or occupying the Premises are covered by their own worker’s compensation insurance or are covered by the Lessee’s worker’s compensation insurance.”

(b) Employers’ Liability Insurance. In the event Lessee has employees, the Lessee shall also maintain Employers Liability Insurance Coverage with limits of at least:

- (i) Bodily Injury by Accident - \$1,000,000 each accident; and
- (ii) Bodily Injury by Disease - \$1,000,000 each employee.

The Lessee shall require all contractors and subcontractors performing work or occupying the Premises under this Lease to obtain an insurance certificate showing proof of Employers Liability Insurance Coverage and shall submit a certificate on the letterhead of the Lessee in the following language prior to the commencement of occupancy:

“This is to certify that all contractors and subcontractors performing work or occupying the Premises are covered by their own employers liability insurance or are covered by the Lessee’s employers liability insurance.”

(c) Commercial General Liability Insurance. The Lessee shall provide Commercial General Liability Insurance (2013 ISO Occurrence Form or equivalent) which shall include, but need not be limited to, coverage for bodily injury and property damage arising from premises and operations liability, products and completed operations liability, personal injury and advertising liability, contractual liability, fire legal liability, blasting and explosion, collapse of structures and underground damage liability. The Commercial General Liability Insurance shall provide at minimum the following limits:

<i>Coverage</i>	<i>Limit</i>	
1. Premises and Operations	\$1,000,000 per Occurrence	
2. Products and Completed Operations	\$1,000,000 per Occurrence	
3. Personal Injury and Advertising	\$1,000,000 per Occurrence	
4. Contractual	\$1,000,000 per Occurrence	
5. Damage to Rented Premises	\$1,000,000 per Occurrence	
6. Blasting and Explosion	\$1,000,000 per Occurrence	*
7. Collapse of Structures	\$1,000,000 per Occurrence	*
8. Underground Damage	\$1,000,000 per Occurrence	*
9. General Aggregate	\$2,000,000 this Lease only	

* Required during any construction period.

Additional Requirements for Commercial General Liability Insurance:

- (1) The policy shall name as additional insureds the officers, members, agents and employees of the Lessor, Institution and the State of Georgia, but only with respect to claims arising out of work, occupancy of the Premises or performance under this Lease for which the Georgia Tort Claims Act, O.C.G.A. §50-21-20 *et seq.* is not the exclusive remedy.

(2) The policy must provide primary coverage limits for any claims not covered by the Georgia Tort Claims Act.

(3) The policy or policies must be on an "occurrence" basis.

(4) The policy must include separate aggregate limits per project/location.

(d) Commercial Business Automobile Liability Insurance. The Lessee shall provide Commercial Business Automobile Liability Insurance which shall include coverage for bodily injury and property damage arising from the operation of any owned, non-owned or hired automobile. The Commercial Business Automobile Liability Insurance Policy shall provide not less than \$1,000,000 Combined Single Limits for each occurrence.

Additional Requirements for Commercial Business Automobile Liability Insurance:

(1) The policy shall name as additional insureds the officers, members, agents and employees of the Lessor, Institution and the State of Georgia but only with respect to claims arising out of work, occupancy of the Premises or performance under this Lease for which the Georgia Tort Claims Act, O.C.G.A. § 50-21-20 *et seq.* is not the exclusive remedy.

(2) The policy must provide primary coverage for any claims not covered by the Georgia Tort Claims Act.

(e) Commercial Umbrella Liability Insurance. The Lessee shall provide a Commercial Umbrella Liability Insurance Policy to provide excess coverage above the Commercial General Liability, the Commercial Business Automobile Liability, and Employers' Liability to satisfy the minimum limits set forth herein. The minimum amount of Umbrella limits required above the coverages and minimum limits stated in 11.3(a), (b), (c) and (d) shall be:

\$2,000,000 per Occurrence

\$2,000,000 Aggregate

Additional Requirements for Commercial Umbrella Liability Insurance:

(1) The policy shall name as additional insureds the officers, members, agents and employees of the Lessor, the Institution and the State of Georgia, but only with respect to claims arising out of work, occupancy of the Premises or performance under this Lease for which the Georgia Tort Claims Act, O.C.G.A. § 50-21-20 *et seq.* is not the exclusive remedy.

(2) The policy must provide primary coverage for any claims not covered by the Georgia Tort Claims Act.

(3) The policy must be on an "occurrence" basis.

(f) Builders Risk Insurance. During any construction period only, Lessee shall provide a Builder's Risk Insurance Policy to be made payable to the Lessor, Institution and Lessee as their

interests may appear. The policy amount should be equal to 100% of the Improvements construction contract sum, written on a 2002 Causes of Loss - Special Form, or its equivalent. All deductibles shall be the sole responsibility of Lessee or the contractor, and in no event shall the amount of any deductible exceed \$10,000.00. The policy shall be endorsed as follows:

“The following may occur without diminishing, changing, altering or otherwise affecting the coverage and protection afforded the insured under this policy:

- (i) Furniture and equipment may be delivered to the insured premises and installed in place ready for use; and
- (ii) Partial or complete occupancy by Lessee or Lessor, and
- (iii) Performance of work in connection with construction operations insured by the Lessee or Lessor, by agents or sublessees or other contractors of Lessee or Lessor, or by contractors of the Lessee or Lessor.”

(g) Property Insurance. During the Primary Term, Lessee shall provide a Fire and Hazard Property Insurance Policy to be made payable to the Lessor, Institution and Lessee as their interests may appear. The policy amount should be equal to 100% of the replacement value of the Improvements, written on a 2002 Causes of Loss - Special Form, or its equivalent. All deductibles shall be the sole responsibility of Lessee, and in no event shall the amount of the “All Risk” deductible exceed \$100,000.00.

11.4 Termination of Obligation to Insure. Unless otherwise expressly provided to the contrary, the obligation to insure as provided herein continues throughout the Primary Term and shall not terminate until this Lease has been terminated.

11.5 Failure of Insurers. The Lessee is responsible for any delay resulting from the failure of its insurance carriers to furnish proof of proper coverage in the prescribed form.

12. UTILITIES

At its sole cost and expense, Lessee shall cause to be furnished and shall pay for all water, gas, light, power, sanitation (sewerage or otherwise), garbage pick-up and disposal, telephone and other utilities or services required for Lessee's use of the Premises.

13. TAXES AND ASSESSMENTS

13.1 Lessee covenants and agrees, during its use and/or occupancy of the Premises, to pay or cause to be paid, to the public officer charged with collection thereof and before any of the same shall become delinquent and shall indemnify, protect, save and hold harmless Lessor from

the payment of (a) any and all taxes, assessments, license fees, excises, imposts, fees and charges of every sort, nature and kind, hereinafter collectively referred to as "impositions", which during Lessee's use and/or occupancy of the Premises, may be assessed, levied, charged or imposed against or with respect to the Premises, including, but not limited to, the building, fixtures, equipment and personal property, if any there be, located therein or thereon; and (b) any impositions assessed, levied, charged or imposed on or with respect to the conduct of Lessee's business in or on the Premises.

13.2 Nothing herein shall obligate or require the payment of any imposition by Lessee, unless such obligation or requirement is provided by law. Lessee may contest the validity, legality or amount of any imposition in the manner provided by law after posting of security with (and acceptable to) Lessor in an amount equal to the amount of the imposition claimed to be due. Within ten (10) days after the payment of Lessee of any imposition, Lessee shall furnish Lessor with a copy of said receipt evidencing such payment.

14.

DESTRUCTION OF OR DAMAGE TO PROPERTY

If the Improvements and/or any other building(s) on the Premises are totally or partially destroyed or rendered untenable by storm, fire, earthquake, hurricane or other natural catastrophe, this Lease shall not terminate, but Lessor shall permit Lessee to rebuild, or at Lessee's option, Lessee may terminate this Lease (subject, however, to the consent and concurrence of the holder of the leasehold security deed) and invoke the provisions of Section 4.5.

15.

REPAIR

Lessee shall operate, maintain and repair the Premises, Improvements and any building built thereon in accordance with the existing rules, regulations, and policies of the Lessor, and in accordance with the provisions of this Lease.

16.

HAZARDOUS SUBSTANCES

16.1 Lessee shall not bring, deposit, or allow to be brought or deposited, in or upon the Premises any pollutant or harmful substance, except for substances ordinarily used in the care and maintenance of the Premises and in compliance with all other applicable provisions of this Lease.

16.2 Lessee warrants that it will not allow any of the following to occur on the Premises, regardless of cause: (A) any generation, treatment, recycling, storage or disposal of any hazardous substance; (B) any underground storage tank, surface impoundment, lagoon or other containment facility for the temporary or permanent storage, treatment or disposal of hazardous substances; (C) any landfill or solid waste disposal area; (D) any asbestos-containing material as defined by the Toxic Substances Control Act; (E) any polychlorinated biphenyl (PCB) used in hydraulic oils, electric transformers or other equipment; or (F) any release or threatened release of hazardous substance to the environment in forms or quantity requiring remedial action under environmental

laws. In addition, Lessee warrants that it will not allow any violations of environmental laws on the Premises, regardless of cause. Lessee's obligation in no way extends to any environmental condition of the Premises existing prior to Lessee's possession.

17.
INSPECTION

For the purpose of inspecting the Premises, Lessee shall permit Lessor at reasonable times to enter in and on the Premises and the Improvements.

18.
NO DISCRIMINATION

In its occupancy and use of the Premises, Lessee shall not discriminate against any person on the basis of race, color, national origin, age or disability. This covenant of the Lessee may be enforced by termination of this Lease, (provided that notice of the breach of such covenant shall have been given to any leasehold mortgagee and such breach shall not have been cured, as provided in Section 9 of this Lease), injunction, and any other remedy available at law to Lessor.

19.
TRANSFER, ASSIGNMENT AND SUBLETTING

19.1 Lessee shall not transfer or assign (whether by instrument or operation of law or, if applicable, by withdrawal, sale, gift, exchange, change in partnership ownership or membership, change in stock ownership, merger, consolidation, dissolution or reorganization of any type) this Lease or any right or privilege of Lessee hereunder without the prior written consent, in Lessor's sole discretion, of Lessor. Lessee shall not sublet the Premises or any building built thereon or part thereof, or any right or privilege appurtenant thereto, nor permit nor suffer any party other than Lessee to use or occupy the Premises or any portion thereof without the prior written consent, in Lessor's sole discretion, of the Lessor. Any transfer, assignment or subletting without the prior written consent of Lessor shall be void *ab initio* and shall at the option of Lessor terminate this Lease. Lessor's consent to a transfer, assignment or subletting, or to any use or occupancy by a party other than Lessee, shall not invalidate or constitute a waiver of this provision, and each subsequent transfer, assignment and subletting, and each subsequent use and occupancy by a party other than Lessee shall likewise be made only with the prior written consent of Lessor.

19.2 Nothing contained in Section 19 shall limit or is intended to limit the rights of Lessee under Section 9.5; and the enforcement by the holder of a leasehold security deed encumbering the Premises and improvements, including the foreclosure of such security deed or transfer of Lessee's leasehold interest in lieu of foreclosure, shall not be restricted or prohibited hereunder or subject to Lessor's consent. In addition, if any leasehold mortgagee (or its successor, assign, designees or nominee) succeeds to the interest of Lessee under this Lease, then such mortgagee (or its successor, assign, designee or nominee) shall have (a) the right, with the consent of Lessor, which shall not be unreasonably withheld, to further transfer or assign this Lease or to sublet the Premises and improvements thereon, anything to the contrary herein contained notwithstanding, and (b) all the rights, options and privileges of the Lessee under this Lease.

20.
NOTICES

All notices, statements, reports, demands, requests, consents, approvals, waivers and authorizations, hereinafter collectively referred to as "notices", required by the provisions of this Lease to be secured from or given by either of the parties hereto to the other shall be in writing (whether or not the provision hereof requiring such notice specifies written notice) and the original of said notice shall be sent by United States Certified Mail - Return Receipt Requested, postage prepaid and addressed to the recipient party at such party's hereinabove set forth address. The sender of said notice shall request the United States Postal Service to "Show to whom, date and address of delivery" of said notice on the returned receipt. The day upon which such notice is so mailed shall be deemed the date of service of such notice. The parties hereto agree that, even though notices, where applicable, shall be addressed to the attention of the person or title, or both if applicable, hereinabove set forth, valid and perfected delivery of notice shall be accomplished under this Lease even though the said named person or the person holding said title is not the person who accepts or receives delivery of the said notice. Any notice, so mailed, the text of which is reasonably calculated to apprise the recipient party of the substance thereof and the circumstances involved, shall be deemed sufficient under this Lease. Either party hereto may from time to time, by notice of the other, designate a different person or title, or both as applicable, address or addresses to which notices to said party shall be given.

21.
TIME IS OF THE ESSENCE

All time limits stated herein are of the essence of this Lease.

22.
NON-WAIVER

No failure of Lessor to exercise any right or power given to Lessor under this Lease, or to insist upon strict compliance by Lessee with the provisions of this Lease, and no custom or practice of Lessor or Lessee at variance with the terms and conditions of this Lease, shall constitute a waiver of Lessor's right to demand exact and strict compliance by Lessee with the terms and conditions of this Lease.

23.
RIGHTS CUMULATIVE

All rights, powers and privileges conferred by this Lease upon Lessor and Lessee shall be cumulative of, but not restricted to, those given by law.

24.
BINDING EFFECT

Each of the terms and conditions of this Lease shall apply, extend to, be binding upon, and inure to the benefit or detriment of the parties hereto, to the successors and assigns of Lessor, and

to the extent that Lessor has consented to a transfer or assignment of this Lease (if such consent is required) to the successors and assigns of Lessee, and to any leasehold mortgagee and its successors and assigns. Subject to the foregoing, whenever a reference to the parties hereto is made, such reference shall be deemed to include the successors and assigns of said party, the same as if in each case expressed.

25.

INTERPRETATION

Should any provision of this Lease require judicial interpretation, it is agreed and stipulated by and between the parties that the court interpreting or construing the same shall not apply the presumption that the provisions hereof shall be more strictly construed against one party by reason of the rule of construction that an instrument is to be construed more strictly against the party who prepared the same.

26.

GEORGIA AGREEMENT

This Lease shall be governed by, construed under, performed and enforced in accordance with the laws of the State of Georgia.

27.

SECTION HEADINGS

The brief headings or title preceding each section herein are merely for purposes of section identification, convenience and ease of reference, and shall be completely disregarded in the construction of this Lease.

28.

COUNTERPARTS

This Lease is executed in two (2) counterparts which are separately numbered but each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

29.

NO THIRD PARTY BENEFICIARY

Nothing in this Lease, whether express or implied, is intended to confer upon any other party other than the parties hereto and their respective successors and assigns, any right or interest whatsoever. No party other than the parties hereto is entitled to rely in any way upon the warranties, representations, obligations, indemnities or limitations of liability whatsoever in this Lease.

30.

SPECIAL STIPULATIONS

The Special Stipulations on Exhibit “B”, attached hereto are hereby incorporated by reference herein. To the extent that the Special Stipulations set forth on Exhibit “B” conflict with any of the foregoing terms and conditions of this Lease, the said Special Stipulations shall control.

31.

SEVERABILITY

If any provision of this Lease, or any portion thereof, should be ruled void, invalid, unenforceable or contrary to public policy by any court of competent jurisdiction, then any remaining portion of such provision and all other provisions of this Lease shall survive and be applied, and any invalid or unenforceable portion shall be construed or reformed to preserve as much of the original words, terms, purpose and intent as shall be permitted by law.

32.

ENTIRE AGREEMENT

This Lease constitutes the entire Lease between the parties. This Lease supersedes all prior negotiations, discussions, statements and agreements between Lessor and Lessee with respect to the Premises and Lessee's use and occupancy thereof. No member, officer, employee or agent of Lessor or Lessee has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith amending, supplementing, modifying, adding to, deleting from, or changing the terms and conditions of this Lease. No modification of or amendment to this Lease shall be binding on either party hereto unless such modification or amendment shall be properly authorized, in writing, properly signed by both Lessor and Lessee and incorporated in and by reference made a part hereof.

[CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, Lessor, acting pursuant to and in conformity with a properly considered and adopted resolution and acting by and through its duly authorized hereinafter named representatives, and Lessee, acting pursuant to and in conformity with a properly considered and adopted resolution and acting by and through its duly authorized hereinafter named officers, have caused these presents to be signed, sealed and delivered all as of the date hereof.

LESSOR:

**BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF GEORGIA**

By: _____
SANDRA LYNN NEUSE
Vice Chancellor for Real Estate & Facilities

Attest: _____
CHRISTOPHER A. MCGRAW
Secretary to the Board

(Seal Affixed Here)

Signed, sealed and delivered as to
Lessor in the presence of:

Unofficial Witness

Official Witness, Notary Public

My Commission Expires:

[Notary Seal]

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

APPROVED:

By: _____
BRIAN P. KEMP
Governor

Attest: _____
BRAD RAFFENSPERGER
Secretary of State

(Great Seal of the State of Georgia)

Signed, sealed and delivered as to
Governor in the presence of:

Unofficial Witness

Official Witness, Notary Public

My Commission Expires:

[Notary Seal]

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

LESSEE:

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**

By: _____ (SEAL)
LANCE BURCHETT
President

Signed, sealed and delivered as to
Lessee in the presence of:

Unofficial Witness

Official Witness, Notary Public

My Commission Expires: _____

[Notary Seal]

EXHIBIT "A"

Legal Description

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 97, 20TH DISTRICT, 2ND SECTION, COBB COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A "PK" NAIL SET AT THE INTERSECTION OF THE CENTERLINE OF MARIETTA DRIVE AND PAULDING AVENUE SOUTH 40 DEGREES 47 MINUTES 06 SECONDS EAST A DISTANCE OF 645.18 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE **POINT OF BEGINNING**.

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 176.79 FEET TO COMPUTED POINT;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE 146.59 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 4.70 FEET TO A COMPUTED POINT;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 6.23 FEET TO A COMPUTED POINT;
THENCE SOUTH 15 DEGREES 09 MINUTES 31 SECONDS EAST A DISTANCE OF 30.36 FEET TO A COMPUTED POINT;
THENCE SOUTH 75 DEGREES 02 MINUTES 46 SECONDS WEST A DISTANCE OF 91.77 FEET TO A COMPUTED POINT;
THENCE NORTH 15 DEGREES 07 MINUTES 26 SECONDS WEST A DISTANCE OF 11.48 FEET TO A COMPUTED POINT;
THENCE SOUTH 74 DEGREES 50 MINUTES 13 SECONDS WEST A DISTANCE OF 11.08 FEET TO A COMPUTED POINT;
THENCE NORTH 15 DEGREES 08 MINUTES 10 SECONDS WEST A DISTANCE OF 47.93 FEET TO A COMPUTED POINT;
THENCE NORTH 75 DEGREES 00 MINUTES 54 SECONDS EAST A DISTANCE OF 49.52 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 74.76 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 45.40 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 1.00 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 13.80 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 17.30 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 53.80 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 45.00 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE **POINT OF BEGINNING**.

SAID TRACT OR PARCEL CONTAINS 0.47 ACRES (20715.75 SQUARE FEET) MORE OR LESS.

TOGETHER WITH THE FOLLOWING EASEMENTS:

Lessor hereby grants to Lessee the following easements, rights and privileges subject to Lessor's rules and regulations and the limitations set forth below. The easements, rights and privileges granted hereby shall run with the land during the term of the Lease, and shall expire automatically upon the expiration or earlier termination of this Lease.

UTILITY AND COMMUNICATION EASEMENTS:

A non-exclusive easement on, over, across and through Lessor's property located adjacent to the Premises, including all existing lines and facilities located therein, for water, sewer (both storm and sanitary), electrical, telephone, electronic and other communication facilities, television,

internet, chilled water and other such utilities and facilities, and to connect to those of Lessor or of any governmental authority or utility provider located therein, currently available or available in the future to the Premises. The Lessee shall pay the cost of extending any such utility lines to the Premises and the cost of usage of any such utility services. In addition, Lessor grants to Lessee a non-exclusive easement over Lessor's property located adjacent to the Premises to install electronic data and communication lines and transformers in such locations as may be approved by the Lessor, such approval not to be unreasonably withheld. The non-exclusive easements herein granted shall expire automatically upon the expiration or earlier termination of this Ground Lease.

INGRESS/EGRESS EASEMENTS:

A non-exclusive easement over and across all existing and future walkways and designated roads and drives located adjacent to the Premises for vehicular and pedestrian ingress and egress to and from the Premises out to Kennesaw State University Road.

PARKING EASEMENTS:

A non-exclusive easement for walking and driving vehicles upon, over and across, and parking vehicles upon the designated parking area that Lessor designates for the intended use of the Premises and subject to such reasonable fees and regulations as Lessor may impose.

ACCESS AND MAINTENANCE EASEMENT:

A non-exclusive easement on, over, across and through the land located immediately adjacent to the Premises for necessary maintenance and repairs to the Improvements, as needed including, but not limited to the asphalt and concrete area leading thereto from the access road and Kennesaw State University Road.

EXHIBIT "B"
Special Stipulations

[None]

EXHIBIT "C"

[Indicate with specificity
the program, plans, AND specifications
that will be the basis for the improvements
under this Ground Lease]

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APPENDIX D

FORM OF RENTAL AGREEMENT

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**STATE OF GEORGIA:
COUNTY OF FULTON:**

RENTAL AGREEMENT

(Student Housing – KSU Summit II)

THIS RENTAL AGREEMENT (hereinafter “Agreement”), made and entered into this _____, by and between **KSU 2024 HOUSING REAL ESTATE FOUNDATION, LLC**, a Georgia limited liability company whose address is 1000 Chastain Road, MD 9101, Kennesaw, Georgia 30144-5591, Party of the first part (hereinafter referred to as “Landlord”), and the **BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA**, for the use of Kennesaw State University (hereinafter referred to as the “Institution”), a unit of the University System of Georgia, whose address is 270 Washington Street, Seventh Floor, Atlanta, Georgia 30334, party of the second part, (hereinafter referred to as “Tenant”):

W I T N E S S E T H:

**ARTICLE I
PREMISES RENTED AND USE OF PREMISES**

Landlord, in consideration of the rents agreed to be paid by Tenant and of the covenants, agreements, provisions and stipulations herein agreed to be mutually kept and performed by the parties hereto, does hereby this day grant, demise and rent, upon the terms and conditions herein stated, unto Tenant those certain premises situated on the campus of the Institution in Cobb County, Georgia, consisting of approximately 0.47 acres improved with one student housing building with 462 beds and related amenities located on the real property described on Exhibit “C”, which is attached hereto and incorporated herein by this reference, to be renovated and improved as outlined on Exhibit “C-1”, which is attached hereto and incorporated herein by reference (hereinafter referred to as the “Improvements,” and together with all the improvements, tenements and appurtenances, thereunto belonging or in any wise appertaining, including the right of ingress and egress thereto and therefrom at all times (hereinafter referred to as “Premises”). The Premises will be granted, demised and rented, upon the terms and conditions stated herein. Tenant does hereby rent and take from Landlord, upon the terms and conditions herein stated, for the use of educational functions and student housing, the Premises.

ARTICLE II FIXED RENTAL

Tenant agrees to pay Landlord, at its above stated address, or at such other address or addresses as may be designated in writing from time to time by Landlord, rent in the amount and at the times designated on Exhibit "E": Rental Schedule, which is attached hereto and incorporated by this reference, (hereinafter referred to as "Rent") for the use and rent of the Premises.

ARTICLE III TERM

This Rental Agreement shall be for a term commencing on the date that Landlord obtains a certificate of occupancy with respect to the Improvements ("hereinafter referred to as the "Commencement Date"), but the Commencement Date shall be no earlier than July 1, 2026, and ending at 11:59 P.M. on June 30, 2027 (hereinafter referred to as the "Expiration Date") unless terminated earlier as hereinafter provided (hereinafter referred to as the "Initial Term").

ARTICLE IV OPTION TO RENEW OR EXTEND TERM

Landlord, in consideration of the premises and of the covenants, agreements, provisions and stipulations herein agreed to be mutually kept and performed by the parties to this Agreement, does hereby give and grant unto Tenant the exclusive right, privilege and option of renewing or extending this Agreement at the expiration of the Initial Term on a year to year basis for twenty-nine (29) consecutive years (each year is hereinafter referred to as a "Renewal Term") until June 30, 2056 upon which date the final Renewal Term shall terminate. The Initial Term and Renewal Terms shall be collectively referred to as the "Term." Each Renewal Term shall be granted upon the same terms, conditions, covenants, provisions, stipulations and agreements as herein set forth and at the rental rate stipulated on Exhibit "E"; provided, that notice of Tenant's desire, through the President or Executive Vice President of Administration and Finance of the Institution to exercise such option shall be given to Landlord at least sixty (60) days prior to the expiration date of the immediately preceding Initial Term or Renewal Term. It is further provided that this option may be exercised by Tenant only in the event that Tenant is not in material breach of this Agreement.

Tenant will notify Landlord if it elects not to renew this Agreement (hereinafter referred to as the "Nonrenewal Notice"). Landlord will within thirty (30) days of receipt of the Nonrenewal Notice pay to Tenant the Nonrenewal Amount shown on Exhibit "E" to this Agreement. Failure of Tenant to provide a Nonrenewal Notice at or prior to the expiration of the Initial Term or a Renewal Term (as the case may be) will not be deemed to be an exercise by Tenant of its option to renew and extend this Agreement as provided in this Article IV nor will it be deemed a default by Tenant under this Agreement. Exercise of an option to renew and extend this Agreement requires the affirmative action of Tenant via written notice of renewal from Tenant to Landlord.

ARTICLE V CONFLICTS

The stipulations, provisions, covenants, agreements, terms and conditions, contained in the attached Exhibits "A", "B", "C", "D", "E" and "F" are incorporated into this Agreement by this reference. In the event of conflict, the special stipulations in Exhibit "B" shall take precedence over any conflicting terms in this Agreement or in the other Exhibits.

(SIGNATURES BEGIN ON NEXT PAGE)

IN WITNESS WHEREOF, Landlord and Tenant, by and through their authorized representatives, have hereunto executed, signed, and delivered this Agreement the day, month, and year first above written, each of the said parties keeping one of the copies hereof.

**KSU 2024 HOUSING REAL ESTATE
FOUNDATION, LLC**, a Georgia limited liability
company

By: _____(SEAL)
Lance Burchett, President

**BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF GEORGIA**

By: _____
Sandra Lynn Neuse,
Vice Chancellor for Real Estate and Facilities

Attest: _____
Alan Travis
Associate Vice Chancellor

[SEAL]

EXHIBIT "A"

STIPULATIONS, PROVISIONS, COVENANTS, AGREEMENTS, TERMS AND CONDITIONS OF AGREEMENT

1.

COVENANTS OF TITLE AND QUIET ENJOYMENT

Landlord covenants that Landlord is seized with an Estate for Years in the Premises and warrants that Tenant will lawfully, quietly and peacefully have, hold, use, possess, enjoy, and occupy the Premises for the Term without any suit, hindrance, interruption, inconvenience, eviction, ejection, or molestation by Landlord or by any other person or persons whatsoever. If Tenant is deprived of Tenant's right to lawfully, quietly and peacefully have, hold, use, possess, enjoy and occupy the Premises, for any reason whatever, Tenant shall have the option to terminate this Agreement by giving Landlord notice provided however that if Landlord's title shall come into dispute or litigation and Tenant is deprived of possession and use of the Premises, Tenant shall nonetheless continue its scheduled payment of rent without abatement.

2.

LANDLORD'S FAILURE TO DELIVER PREMISES AT COMMENCEMENT OF TERM

Should Landlord, for any reason whatever, be unable to deliver possession of the Premises to Tenant on the Commencement Date of the Initial Term, Tenant shall have the option of terminating this Agreement by giving Landlord notice thereof and this Agreement shall be null and void as of the date of the notice. In the event Tenant elects not to exercise Tenant's option to terminate this Agreement, there shall be a total abatement of rent during the period between the Commencement Date and the date upon which Landlord actually delivers possession of the Premises to Tenant.

3.

LANDLORD'S INSURANCE

(a) Insurance Certificates. Landlord shall procure the insurance coverage identified in Exhibit "D" and shall furnish Tenant an insurance certificate listing Tenant as the certificate holder (*See Section 2 of Exhibit "B", Special Stipulations*). The insurance certificate must provide the following:

- (i) Name and address of authorized agent;
- (ii) Name and address of insured;
- (iii) Name of insurance company(ies);
- (iv) Description of policies;
- (v) Policy number(s);
- (vi) Policy period(s);
- (vii) Limits of liability;
- (viii) Name and address of Landlord as certificate holders;
- (ix) Lease number, Name of Facility and Address of Premises;

- (x) Signature of authorized agent;
- (xi) Telephone of authorized agent; and
- (xii) Mandatory forty-five (45) days' notice of cancellation-renewal.

(b) Policy Provisions. Each of the insurance coverages required (i) shall be issued by a company licensed by the Insurance Commissioner to transact the business of insurance in the State of Georgia for the applicable line of insurance, and (ii) shall be issued by an insurer (or, for qualified self-insured or group of self-insureds, a specific excess insurer provider) with a Best Policyholders Rating of "A-" or better and with a financial size rating of a class VIII or larger. Each such policy shall contain the following provisions:

(i) The insurance company agrees that the policy shall not be canceled, changed, allowed to lapse, or allowed to expire until forty-five (45) days after Landlord and Tenant have received written notice thereof as evidenced by return receipt of registered letter or until such time as other insurance coverage providing protection equal to protection called for in this Agreement shall have been received, accepted and acknowledged by Landlord and Tenant. Such notice shall be valid only as to the Premises and the address of the Premises shall be included in said notice.

(ii) The policy shall not be subject to invalidation as to any insured by reason of any act or omission of another insured or any of its officers, employees, agents or other representatives ("Separation of Insureds").

(iii) Each Insurer is hereby notified that the statutory requirements that the Attorney General of the State shall represent and defend Tenant, the Institution, the State of Georgia and its departments, agencies, and all of their respective officers, members, employees, directors, and agents (collectively, the "Indemnitees"), but will, without limiting the authority of the Attorney General, consider attorneys recommended by the insurance company for appointment as Special Assistant Attorney General to represent and defend the Indemnitees. The insurance company shall have the right to participate in the defense of the Indemnitees. In the event of litigation, any settlement on behalf of the Indemnitees must be expressly approved by the Attorney General.

(iv) Self-insured retention, except for qualified self-insurers or group self-insurers, in the "All Risk" policy shall not exceed \$100,000.00 except that deductibles for Catastrophic Perils including flood, earthquake, and windstorm shall not exceed \$250,000.00.

(c) Termination of Obligation to Insure. Unless otherwise expressly provided to the contrary, the obligation to insure as provided herein continues throughout the Term and shall not terminate until this Agreement has been terminated.

(d) Failure of Insurers. Landlord is responsible for any delay resulting from the failure of its insurance carriers to furnish proof of proper coverage in the prescribed form.

4.
USE OF PREMISES AND TENANT'S INSURANCE REQUIREMENTS

(a) Tenant shall use the Premises for its educational and administrative functions and for any purpose within the powers of the University System of Georgia (the "University System"). No use shall be made of the Premises, nor acts done which will cause a cancellation of or an increase in the existing rate of fire, casualty and other extended coverage insurance insuring the Premises, without first consulting with Landlord who shall obtain appropriate insurance endorsements. Tenant shall submit payment of the increase in premium for such endorsements. Tenant shall not sell, or permit to be kept for use in or about the Premises, any article or articles which may be prohibited by the standard form of fire insurance policies unless the policy is endorsed as set forth in this paragraph.

(b) Tenant shall insure or self-insure at its own cost and expense its fixtures, furnishings, equipment and personal property which it may use or store on the Premises. Tenant will provide third party liability coverage arising from the acts of its officers, members, and employees through the Georgia Tort Claims Act, O.C.G.A. §50-21-20 et seq. and the self-insurance funds maintained pursuant to Georgia Law. The Georgia Tort Claims Act provides coverage for \$1,000,000 per person and \$3,000,000 per occurrence for claims covered by the Act.

5.
TAXES AND ASSESSMENTS

During the Term, Landlord covenants to pay off, satisfy and discharge, as they become due, all assessments, taxes, levies and other charges, general or special, of whatever name, nature and kind, which are or may be levied, assessed, imposed and charged upon the Premises herein demised and rented. *(See Section 3 of Exhibit "B", Special Stipulations)*

6.
JANITORIAL SERVICES, RUBBISH REMOVAL, TERMITES, RODENTS AND PESTS, UTILITIES

(a) Landlord shall furnish, without additional charge, janitorial services for general cleaning of the Premises. Landlord shall use care to select honest and efficient employees. Landlord shall be responsible to Tenant for the negligence, theft, fault and misconduct of such employees. Tenant agrees to report promptly to Landlord any neglect of duty or any incivility on the part of such employees, which in any way interferes with the full enjoyment of the Premises. *(See Section 1 of Exhibit "B", Special Stipulations)*

(b) Landlord shall keep the Premises clean, both inside and outside at its own expense, and shall see that all garbage, trash, and all other refuse is removed from the Premises. (See Section 1 of Exhibit "B", Special Stipulations)

(c) Landlord shall, at its own expense, keep the Premises free from infestation by termites, rodents, and other pests and shall repair all damage caused to the Premises by the same during the Term. (See Section 1 of Exhibit "B", Special Stipulations)

(d) Landlord shall furnish all water, electricity, gas, fuel, oil, light, heat and power or any other utility used by Tenant while occupying the Premises. No deduction shall be made from the rent due to a stoppage in the services of water, electricity, gas, fuel, oil, coal, light, heat, and power or any other utility unless caused by the act or omission of Landlord. In the event of interruption in the water, electricity, gas, fuel, oil, coal, light, heat and power service, Landlord will proceed with all due diligence to restore same. (See Section 1 of Exhibit "B", Special Stipulations)

7.

NOTICE TO LANDLORD OF DAMAGE OR DEFECTS

Tenant shall provide Landlord with notice of any accident to or any defects in the Premises and such damage or defects shall be remedied by Landlord at Landlord's expense no later than sixty (60) days after Landlord's receipt of such notice provided that if the repair cannot be completed within sixty (60) days, Landlord shall have made reasonable progress towards remedying the damage or defect prior to the expiration of the sixty days. Landlord shall repair or correct all damage or defects in a commercially reasonable manner. (See Section 4 of Exhibit "B", Special Stipulations)

8.

REPAIRS BY LANDLORD

During the Term, Landlord, shall, at its sole cost and expense, service, replace, keep and maintain in good order and repair each and every part and portion of the Premises together with any improvements or additions Landlord might install in or place upon the Premises during the Term. Services, replacements, or repairs made by Tenant to the Premises or to any improvements or additions made by Landlord, shall not be construed as a waiver by Tenant of this provision. Landlord shall have no obligation to service, replace, keep and maintain or repair additions or improvements made to the Premises by Tenant. (See Section 4 of Exhibit "B" Special Stipulations)

9.

ENTRY FOR INSPECTION AND REPAIRS, ALTERATIONS OR ADDITIONS

Tenant shall permit Landlord, its agents or employees, to enter into and upon the Premises at all reasonable times for the purpose of inspecting the Premises or for the purpose of maintaining or making repairs alterations or additions to any portion of the Premises. Landlord's entry shall not interfere with Tenant's business or quiet use and enjoyment of the Premises.

10.

TENANT IMPROVEMENTS

With the express written consent of Landlord first having been had and obtained, Tenant may make, at its own expense, such improvements, erections, and alterations as are necessary to adapt the Premises for the conduct of Tenant's business. All improvements, erections and additions installed in or placed upon the Premises by Tenant, whether permanently affixed thereto or otherwise, shall continue and remain the property of Tenant, and may be removed by Tenant, in whole or in part, at or before the expiration or earlier termination of this Agreement or upon a reasonable time thereafter.

If Tenant removes any or all of the improvements, erections and additions it has installed in or placed upon the Premises, Tenant agrees to repair any specific damage directly resulting to the Premises from such removal to the condition existing at the beginning of the tenancy, normal wear and tear excepted.

11.

REMOVAL OF FIXTURES BY TENANT

At any time before the expiration or earlier termination of this Agreement, or upon a reasonable time thereafter, Tenant shall have the right and privilege to remove all fixtures, equipment, appliances and movable furniture that Tenant has placed in or upon the Premises.

12.

SURRENDER OF PREMISES

At the expiration, or earlier termination, of this Agreement, Tenant shall surrender the Premises in good order and condition; ordinary wear and tear, damage by fire, acts of God, the elements, other casualties, condemnation and/or appropriation, and damage or defects arising from the negligence or default of Landlord excepted.

13.
ABANDONMENT, WASTE AND NUISANCE

Tenant shall not abandon or vacate the Premises without cause during the Term. Tenant shall not commit or suffer to be committed any waste upon the Premises, or any nuisance, or other act or thing which may disturb the enjoyment of other tenants, if any, in the building in which Premises are located.

14.
HOLDING OVER

Any holding over, continued use and/or occupancy of the Premises by Tenant after the expiration of the Term shall operate and be construed as a tenancy-at-will and Tenant shall continue Tenant's occupancy at the same rental rate and under the same terms and conditions in force at the expiration of the immediately preceding Initial Term or Renewal Term.

15.
ENTRY FOR CARDING

In the event, Tenant does not exercise the renewal or extension option provided herein, then Landlord may, within thirty (30) days immediately preceding the expiration of the then current Initial Term or Renewal Term of this Agreement, place a card or sign in the Premises advertising the Premises "For Sale" or "For Rent". Landlord may enter the Premises at reasonable hours to show the Premises to prospective purchasers or tenants so long as Landlord's entry does not interfere with the quiet use and enjoyment of Tenant.

16.
DEFAULT

(a) It shall be an event of default (hereinafter referred to as "Event of Default") if

(i) Tenant fails to pay rent when due and fails to cure such default within thirty (30) business days (hereinafter referred to as "Rental Cure Period") after written notice of such default is received by Tenant from Landlord; or

(ii) If either party fails to perform any of its obligations under this Agreement other than the provisions requiring the payment of Rent, and fails to cure such default within thirty (30) days after notice of such default is received (hereinafter referred to as "Cure Period") by the defaulting party from the non-defaulting party provided that it will not be an Event of Default if the default cannot be cured within the Cure Period and the defaulting party promptly commences and diligently proceeds the cure to completion within sixty (60) days after the expiration of the Cure Period; or

(iii) Landlord is adjudicated a bankrupt; or a permanent receiver is appointed for Landlord and such receiver is not removed within sixty (60) days after the appointment of the receiver.

b) If the Event of Default is not cured by the defaulting party within the applicable cure period, the non-defaulting party may pursue remedies as are available at law or in equity.

17.

DESTRUCTION OF OR DAMAGE TO PREMISES

(a) In the event the Premises, either prior to the Commencement Date of this Agreement or during the Term, are damaged, by any cause whatever, as to be rendered unfit for occupancy by Tenant, and the Premises are not thereafter repaired by Landlord at its expense with reasonable promptness and dispatch, this Agreement may be terminated at the option of Tenant by giving Landlord notice, and all obligations of Tenant hereunder, including the payment of rent, shall automatically terminate as of the date of the damage.

(b) In the event the Premises, either prior to the Commencement Date of this Agreement or during the Term, are partially destroyed, by any cause whatever, but not rendered unfit for occupancy by Tenant, then Landlord shall, at Landlord's expense and with reasonable promptness and dispatch, repair and restore the Premises to substantially the same condition as before the damage. In the event of a partial destruction of the Premises there shall be an abatement in the rent payable during the time such repairs or rebuilding are being made. Such proportionate deduction of rent shall be based upon the extent to which the damage and the repairs or rebuilding interfere with the business carried on by Tenant in the Premises. Full rental shall commence after: (i) completion of the repairs and restoration of the Premises by Landlord; and (ii) Tenant, after making a reasonable assessment of damages, determines that the Premises are fit for occupancy by Tenant.

18.

CONDEMNATION

(a) In the event, during the Term, the whole of the Premises are appropriated or taken by any Municipal, County, State, Federal or other authority for any public or quasi-public use through the exercise of the power of eminent domain or condemnation proceeding, or sold to the possessor of such power under the threat of its exercise, or if by reason of law, ordinance or by court decree, whether by consent or otherwise, the use of the Premises by Tenant for the purpose is prohibited; Tenant shall have the right to terminate this Agreement upon notice to Landlord and the rent shall be paid only to the time when Tenant surrenders possession of the Premises.

(b) When only a portion of the Premises are acquired for public or quasi-public use through the exercise of or under the threat of eminent domain or condemnation proceedings, the Rent shall be reduced by an amount determined by the ratio of the fair

market value of the portion of the Premises thus acquired to the fair market value of the total Premises immediately preceding such acquisition. "Fair market value" shall be determined in both the case of the condemned property and the total Premises by a member of the American Institute of Real Estate Appraisers who is reasonably acceptable to Landlord and Tenant.

(c) In the event that only a portion of the Premises are so acquired, Landlord agrees to promptly make all necessary alterations and repairs which shall be required because of such partial acquisition. The rights of Landlord shall in no way prejudice or interfere with any claim which Tenant may have against the authority exercising the power of eminent domain or condemnation for damages or otherwise for destruction of or interference with the business of Tenant in the Premises. Tenant agrees that it will not request, encourage or support the use of the State's power of eminent domain to frustrate the purposes of this Agreement; provided, however that nothing herein shall limit or restrict the State's right to exercise in good faith the power of eminent domain for appropriate governmental purposes.

19.
CHANGE IN OWNERSHIP OF PREMISES; CONTINUING OBLIGATION TO PAY RENT

No change or division in the ownership of the Premises, or of the rents payable hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of Tenant. Further, no change or division in ownership shall be binding on Tenant for any purpose until Tenant shall have been furnished with a certified copy of the recorded instrument, or other legally authenticated written instrument, evidencing such change or division in ownership.

20.
NOTICE OF APPOINTMENT OF AGENT

Tenant shall be under no obligation to recognize any agent for the collection of rent accrued or to accrue hereunder or otherwise authorized to act with respect to the Premises until notice of the appointment and the extent of the authority of such agent shall be first given to Tenant by the party appointing such agent.

21.
COMPLIANCE WITH LAWS, ORDINANCES AND REGULATIONS

(a) Landlord shall be responsible for compliance with all applicable laws, ordinances, and regulations, including permitting and zoning ordinances and requirements and local and state building codes, life safety codes, ordinances relating to security standards enacted pursuant to O.C.G.A. Section 44-7-4(a), and the holding of a current and proper certificate of occupancy. *(See Section 4 of Exhibit "B", Special Stipulations)*

(b) Notwithstanding any provisions of this Agreement to the contrary, Landlord is solely responsible for assuring that the Premises and all common areas are at all times in compliance with Title III of the Americans with Disabilities Act of 1990, 42 USC §12101 et seq. (hereinafter the “ADA”) as amended, and with all regulations promulgated pursuant to the ADA (hereinafter the “Regulations”). Except for any remodeling or alterations to the Premises after the commencement date of this Agreement due to an election by Tenant to remodel (but not including any remodeling or alterations at the beginning of the Term to make the Premises initially suitable for Tenant), Landlord shall be solely responsible for all costs and expenses associated with ADA compliance. Landlord shall not charge Tenant for, or seek reimbursement from Tenant for, any expenditures, capital or otherwise, associated with conforming the Premises or common areas to the requirements of the ADA and the Regulations. (See *Section 4 of Exhibit “B,” Special Stipulations*)

(c) Landlord and Tenant hereby certify that the provisions of law contained in Title 45 Chapter 10 of the Official Code of Georgia Annotated which prohibit full-time and part-time public officials and employees of the State of Georgia from engaging in certain transactions with the State or state agencies have not and will not be violated in any respect by this Agreement.

22. HAZARDOUS MATERIALS

(a) As used in this Agreement, the term “Hazardous Materials” shall mean and include any substance that is or contains petroleum, asbestos, polychlorinated biphenyls, lead, or any other substance, material or waste which is now or is hereafter classified or considered to be hazardous or toxic under any federal, state or local law, rule, regulation or ordinance relating to pollution or the protection or regulation of human health, natural resources or the environment (collectively “Environmental Laws”) or poses or threatens to pose a hazard to the health or safety of persons on the Premises or any adjacent property.

(b) Tenant agrees that during its use and occupancy of the Premises it will not permit Hazardous Materials to be present on or about the Premises except in a manner and quantity necessary for the ordinary performance of Tenant’s business and that it will comply with all Environmental Laws relating to the use, storage or disposal of any such Hazardous Materials.

(c) If Tenant’s use of Hazardous Materials on or about the Premises results in a release, discharge or disposal of Hazardous Materials on, in, at, under, or emanating from, the Premises or the property in which the Premises are located, Tenant agrees to investigate, clean up, remove or remediate such Hazardous Materials in full compliance with (a) the requirements of (i) all Environmental Laws and (ii) any governmental agency or authority responsible for the enforcement of any Environmental Laws; and (b) any additional requirements of Landlord that are reasonably necessary to protect the value of the Premises or the property in which the Premises are located. Landlord shall also have the right, but not the obligation, to take whatever action with respect to any

such Hazardous Materials that it deems reasonably necessary to protect the value of the Premises or the property in which the Premises are located. All costs and expenses paid or incurred by Landlord in the exercise of such right shall be payable by Tenant upon demand.

(d) Upon reasonable notice to Tenant, Landlord may inspect the Premises for the purpose of determining whether there exists on the Premises any Hazardous Materials or other condition or activity that is in violation of the requirements of this Agreement or of any Environmental Laws. The right granted to Landlord herein to perform inspections shall not create a duty on Landlord's part to inspect the Premises, or liability on the part of Landlord for Tenant's use, storage or disposal of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith.

(e) Tenant shall surrender the Premises to Landlord upon the expiration or earlier termination of this Agreement free of debris, waste or Hazardous Materials placed on or about the Premises by Tenant or its agents, employees, contractors or invitees.

(f) The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

23.

ASSIGNMENT AND SUBLETTING

(a) Tenant shall not assign this Agreement, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person to occupy or use the Premises, or any portion thereof, without the express written consent of Landlord first having been obtained, which consent shall not unreasonably be withheld, delayed or conditioned. Any such assignment or subletting without such consent shall be void, and shall, at the option of Landlord, on thirty (30) days' notice to Tenant, terminate this Agreement. Consent to one assignment and/or subletting shall not waive this provision, and all later assignments and/or sublettings shall likewise be made only on the prior consent of Landlord, which consent shall not unreasonably be withheld. Notwithstanding the foregoing, Tenant may sublet the Premises without first obtaining the consent of Landlord for educational or related uses or other uses that are reasonably contemplated by the parties so long as the term of any such use is less than twenty-four (24) hours. Landlord further agrees that Tenant shall have the right to grant rights to students of the Institution to use and occupy the Premises under the terms and conditions of residence contracts and the housing policies of the Institution.

(b) The voluntary or other surrender of this Agreement by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing sublets or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such sublets or subtenancies.

(c) Notwithstanding the subparagraph 23(a), Tenant may sublet the Premises without first obtaining the consent of Landlord for educational or related uses or other uses that are reasonably contemplated by the parties so long as the term of any such use is less than twenty-four (24) hours.

**24.
SUBORDINATION**

This Agreement shall be subject and subordinate to all existing liens and encumbrances against the Premises and all rights and obligations contained therein; provided, however that as to all such liens and encumbrances and any future liens and encumbrances, as a condition precedent to any such subordination, the holder of the lien or encumbrance agrees, so long as Tenant is not in material default under this Agreement, to the continuing possession of the Premises by Tenant under the same financial provisions and substantive terms and conditions set forth in this Agreement.

**25.
LANDLORD'S FINANCING**

(a) Tenant shall have no obligation with respect to the bonds or the financing of the Premises and no moral obligation to continue to rent the Premises in a manner supportive of the creditworthiness of the bonds or financing.

(b) Without first notifying Landlord, Tenant will not perform any activity on the Premises that will adversely affect the tax-exempt status of any debt instrument of Landlord relating to the Premises. In the event the administrative office of the Board of Regents is made aware of a use that may have an adverse affect, Tenant will contact Landlord as soon as practicable after being made aware of the use or anticipated use.

**26.
NOTICE**

All notices, statements, demands, requests, consents, approvals and authorizations required to be hereunder given by any party to the other pursuant to this Agreement shall be in writing to such other party at the physical or electronic mail address set forth below and shall be deemed to have been properly given, rendered or made only if (i) personally delivered by reputable private courier services, (ii) sent by first-class mail, postage prepaid certified or registered with return receipt requested, (iii) sent by Federal Express or other comparable commercial overnight delivery service, or (iv) sent by electronic mail to the party entitled thereto. Any notice shall be deemed to have been given, rendered or made on the day (x) so delivered unless such day is not a business day, in which case such delivery shall be deemed to be made as of the next succeeding business day, or (y) upon telephonic confirmation of receipt from the party's principal addressee if sent by electronic mail. Each party hereto shall have the right at any time and from time to time to specify another physical or electronic mail address and addressee to whom notice thereunder should be given, upon five (5) days' written

notice thereof to the other party. The notice addresses for the parties shall be as follows:

To Landlord: KSU 2024 Housing Real Estate Foundation, LLC
1000 Chastain Road
MD 9101
Kennesaw, Georgia 30144
Attention: Stephen Bridges
Email: sbridg18@kennesaw.edu

To Tenant: Board of Regents of the University System of Georgia
270 Washington Street, SW, Sixth Floor
Atlanta, Georgia 30334
Attention: Vice Chancellor for Facilities
Email: Sandra.Neuse@usg.edu

27.

BINDING EFFECT ON HEIRS, ASSIGNS, ETC.

Each of the stipulations, provisions, terms, conditions, covenants, agreements and obligations contained in this Agreement shall apply, extend to, be binding upon and inure to the benefit or detriment of each and every one of the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of the respective parties hereto, and shall be deemed and treated as covenants real running with the Premises during the Term. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the heirs, legal representatives, devisees, legatees, next-of-kin, successors and assigns of said party, the same as if in each case expressed.

28.

TIME OF ESSENCE

Time is of the essence in this Agreement.

29.

WAIVER OF RIGHTS

The waiver by Landlord, or by Tenant, of any breach of any stipulation, provision, term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of such stipulation, provision, term, covenant, agreement or condition on any subsequent breach of the same or any other stipulation, provision, term, covenant, agreement or condition herein contained.

30.
INVALIDITY OF PROVISION OR PORTION OF PROVISION

Should any provision or portion of such provision of this Agreement be held invalid, the remainder of this Agreement or the remainder of such provision shall not be affected thereby.

31.
ENTIRE AGREEMENT

This Agreement, including Exhibits "A", "B", "C", "D", "E" and "F" embodies and sets forth all the provisions, agreements, conditions, covenants, terms and understandings between the parties relative to the Premises. There shall be no provisions, agreements, conditions, covenants, terms, understandings, representations or inducements either oral or written, between the parties other than are herein set forth. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties herein unless reduced to writing and signed by all the parties to this Agreement.

END OF EXHIBIT "A"

EXHIBIT "B"

SPECIAL STIPULATIONS

1. Tenant Responsibility for Services and Utilities: Notwithstanding any other provision of this Agreement, Tenant, as the principal occupant of the Premises, shall be solely responsible for discharging the obligations set forth in Exhibit "A", Stipulation 6 of this Agreement, and such responsibility shall be paid directly by Tenant as such obligations become due, beginning as of the Commencement Date and continuing throughout the Term.

2. Tenant Responsibility for Insurance: Notwithstanding any other provision of this Agreement, during the Term, Tenant as sole occupant of the Premises shall be responsible for the payment of all insurance coverages set forth in Exhibit "A" Stipulation 3 and Exhibit "D" and any other insurance coverages maintained by Landlord with respect to the Premises or otherwise and such responsibility shall be paid by special rent assessment. Landlord may require payment of such special rent assessment by forwarding insurance invoices directly to Tenant, which invoices Tenant shall pay on or prior to the relevant due date.

In addition to the foregoing, any payment or payments made by Tenant for insurance coverage, as provided in this Exhibit "B", Stipulation 2 or Exhibit "A", Stipulation 3 and Exhibit "D" of this Agreement, which coverage extends beyond the Term (whether due to cancellation, non-renewal or expiration by its express terms) shall be immediately reimbursed to Tenant by Landlord.

3. Tenant Responsibility for Taxes and Assessments: Notwithstanding any other provision of this Agreement, during the Term, Tenant shall pay Landlord as additional rent an amount equal to all assessments, taxes, levies and other charges set forth in Exhibit "A", Stipulation 5 of this Agreement. Tenant's payment of such additional rent to Landlord shall be within ninety (90) days of Tenant's receipt of supporting documentation evidencing Landlord's payment of such expense.

4. Tenant Responsibility for Maintenance and Repairs: Notwithstanding any other provision of this Agreement, beginning as of the Commencement Date and continuing through the Term, Tenant shall have sole responsibility for routine repairs and maintenance including pursuant to Exhibit "A," Stipulations 7, 8, and 21(a) and 21(b) of this Agreement. The obligations of Tenant hereunder are limited only to the extent such repairs and maintenance are not deemed capital repairs and replacement to be funded from the "Repair and Replacement Reserve" described in Exhibit "B" Stipulation 5.

5. Tenant Responsibility for Capital Repairs and Replacements:

(a) Landlord shall establish, no later than thirty (30) days from the Commencement Date of this Agreement, and maintain, during the Term, a reserve account, for capital repairs and replacements (the "Repair and Replacement Reserve")

to the Premises as set forth in Exhibit "A," Stipulations 7, 8, 17, and 21(a) and 21(b) of this Agreement. In order to fund the Repair and Replacement Reserve, Tenant, through the Institution, shall pay Landlord additional rent as indicated on Exhibit "E" of this Agreement. Landlord shall obtain prior written consent from Tenant, which shall not be unreasonably withheld, conditioned or delayed for any expenditure or projected aggregate of expenditures for the same repair or replacement from the Repair and Replacement Reserve that will be greater than \$200,000. Alternatively, any expenditure or projected aggregate of expenditures for the same repair and replacement from the Repair and Replacement Reserve that will be \$200,000 or less shall be approved by the Institution. Tenant may request and receive from Landlord, at any time, an accounting of the Repair and Replacement Reserve.

Tenant, through the Institution, shall complete a Facilities Condition Assessment Report ("FCAR") on the physical and mechanical condition of the Premises every two and one-half (2.5) years for student housing. Each FCAR shall be delivered by Tenant, through the Institution, to the System Office (as defined below) on the dates (assuming Tenant exercises each of the applicable renewal terms) as indicated on Exhibit "F" of this Agreement. The FCAR shall provide information pursuant to established Board of Regents of the University System of Georgia reporting guidelines; and be performed by an engineering firm that is reasonably acceptable to Tenant. Landlord shall pay all costs for the FCAR, which may be paid from the Repair and Replacement Reserve. The parties hereto will work together to confer, schedule and implement any approved capital repair and replacement recommendations contained in the FCAR, or needed during the Term.

(b) Notwithstanding any other provision of this Agreement, to the extent there are insufficient funds in the Repair and Replacement Reserve to pay for any capital repair and replacement, Landlord shall exhaust any other supplemental reserve funds available to Landlord to eliminate or mitigate the Repair and Replacement Reserve shortfall. To the extent a shortfall remains, Tenant may address the shortfall by paying to Landlord as additional rent the cost of all necessary repairs and replacements which exceed available funds in the Repair and Replacement Reserve.

(c) For purposes of this Section 5, any consent, review, or other action required by Tenant herein shall specifically be performed by the Office of Fiscal Affairs, and the Office of Real Estate and Facilities at the University System of Georgia ("System Office") and not the Institution, unless otherwise provided herein or directed by the System Office.

6. Cap on Tenant's Obligations in this Exhibit "B" *Special Stipulations 2, 3, 4 and 5 Hereinabove:* Tenant's maximum obligation pursuant to Exhibit "B", Stipulations 2, 3, 4 and 5 (and with respect to Stipulation 5 above, to the extent not covered by amounts held in Landlord's Repair and Replacement Reserve), collectively shall not exceed the moneys budgeted by the Institution in the applicable fiscal year for such purpose, which budget shall be subject to annual review and modification. If and to the extent Tenant pays for expenditures having a useful life beyond the Term, then

Landlord shall immediately (upon the effective date of such termination) reimburse Tenant for that portion of such expenditures not inuring to the benefit of Tenant.

7. Landlord's Furnishing of Improvements at Tenant's Request, Special Rent Assessment: Upon receipt of a written request from Tenant for improvements, Landlord agrees to perform such alterations and/or modifications to the Premises as are hereby deemed necessary or desirable by Tenant, provided that such alterations and/or modifications are consistent with the structural integrity, design, MEP (mechanical, electrical and plumbing) and other systems infrastructure, quality and character of the Premises and are acceptable to Landlord, which approval shall not be unreasonably, withheld, conditioned or delayed. The following procedure shall be followed:

(1) Tenant shall specifically enumerate in writing all items of work compromising the alterations and/or improvements and furnish it to Landlord;

(2) If the alterations and/or improvements are acceptable to Landlord, Landlord shall notify Tenant in writing of its agreement to perform such work and of the cost thereof.

(3) If Tenant thereafter notifies Landlord in writing to proceed, Landlord shall cause the work to be performed.

(4) The cost of the work shall be a Special Rent Assessment. The Special Rent Assessment shall be due in full (ten) 10 days after final satisfactory completion of all of the work agreed to be performed by Landlord.

Notwithstanding any other provision of this Agreement, Tenant shall pay, in addition to the Fixed Rent set forth in Article II of this Agreement, the Special Rent Assessment as set forth in this Special Stipulation.

For purposes of this Section 7, any written request by Tenant for improvements over \$200,000 shall specifically come from the System Office and not the Institution, unless otherwise provided herein or directed by the System Office.

For purposes of this Section 7, "**Special Rent Assessment**" shall mean a one-time payment of rent by Tenant.

END OF EXHIBIT "B"

EXHIBIT "C"

Legal Description

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 97, 20TH DISTRICT, 2ND SECTION, COBB COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A "PK" NAIL SET AT THE INTERSECTION OF THE CENTERLINE OF MARIETTA DRIVE AND PAULDING AVENUE SOUTH 40 DEGREES 47 MINUTES 06 SECONDS EAST A DISTANCE OF 645.18 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE **POINT OF BEGINNING**.

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 176.79 FEET TO COMPUTED POINT;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE 146.59 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 4.70 FEET TO A COMPUTED POINT;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 6.23 FEET TO A COMPUTED POINT;
THENCE SOUTH 15 DEGREES 09 MINUTES 31 SECONDS EAST A DISTANCE OF 30.36 FEET TO A COMPUTED POINT;
THENCE SOUTH 75 DEGREES 02 MINUTES 46 SECONDS WEST A DISTANCE OF 91.77 FEET TO A COMPUTED POINT;
THENCE NORTH 15 DEGREES 07 MINUTES 26 SECONDS WEST A DISTANCE OF 11.48 FEET TO A COMPUTED POINT;
THENCE SOUTH 74 DEGREES 50 MINUTES 13 SECONDS WEST A DISTANCE OF 11.08 FEET TO A COMPUTED POINT;
THENCE NORTH 15 DEGREES 08 MINUTES 10 SECONDS WEST A DISTANCE OF 47.93 FEET TO A COMPUTED POINT;
THENCE NORTH 75 DEGREES 00 MINUTES 54 SECONDS EAST A DISTANCE OF 49.52 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 74.76 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 45.40 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 1.00 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 13.80 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 17.30 FEET TO A COMPUTED POINT;
THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 53.80 FEET TO A COMPUTED POINT;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 45.00 FEET TO A COMPUTED POINT, SAID POINT BEING THE TRUE **POINT OF BEGINNING**.

SAID TRACT OR PARCEL CONTAINS 0.47 ACRES (20715.75 SQUARE FEET) MORE OR LESS.

END OF EXHIBIT "C"

EXHIBIT "C-1"

(Attached)

EXHIBIT "D"

REQUIRED INSURANCE COVERAGES

Insurance Coverages. Landlord agrees to secure and have an authorized agent state on the Insurance Certificate that the following types of insurance coverages, not inconsistent with the policies and requirements of O.C.G.A. § 50-21-37, have been purchased or caused to be purchased by Landlord, during the Term. The minimum required coverages and liability limits are as follows:

(i) Workers' Compensation Insurance. In the event Landlord has employees, Landlord agrees to provide Workers' Compensation coverage in accordance with the statutory limits as established by the General Assembly of the State of Georgia. A group-insurer must submit a certificate of authority from the Insurance Commissioner approving the group insurance plan. A self-insurer must submit a certificate from the Georgia Board of Workers' Compensation stating Tenant qualifies to pay its own workers' compensation claims. Landlord shall require all subcontractors performing work or occupying the Premises to obtain an insurance certificate showing proof of Workers' Compensation and shall submit a certificate on the letterhead of Landlord in the following language prior to the commencement of the Construction Term (as defined in the Ground Lease):

"This is to certify that all contractors and subcontractors performing work or occupying the Premises are covered by their own workers' compensation insurance or are covered by Landlord's workers' compensation insurance."

(ii) Employers' Liability Insurance. In the event Landlord has employees, Landlord shall also maintain Employers' Liability Insurance Coverage with limits of at least: (1) bodily injury by accident - \$1,000,000 each accident; and (2) bodily injury by disease - \$1,000,000 each employee.

Landlord shall require all contractors and subcontractors performing work or occupying the Premises to obtain an insurance certificate showing proof of Employers' Liability Insurance Coverage and shall submit a certificate on the letterhead of Landlord in the following language prior to the commencement of occupancy:

"This is to certify that all contractors and subcontractors performing work or occupying the Premises are covered by their own employers' liability insurance or are covered by Landlord's employers liability insurance."

(iii) Commercial General Liability Insurance. Landlord shall provide Commercial General Liability Insurance (2013 ISO Occurrence Form or equivalent) which shall include, but need not be limited to, coverage for bodily

injury and property damage arising from premises and operations liability, products and completed operations liability, personal injury liability, and contractual liability. The Commercial General Liability Insurance shall provide at minimum the following limits:

Coverage	Limit
1. Premises and Operations	\$1,000,000 per Occurrence
2. Products and Completed Operations	\$1,000,000 per Occurrence
3. Personal Injury	\$1,000,000 per Occurrence
4. Contractual	\$1,000,000 per Occurrence
5. Damage to Rented Premises	\$1,000,000 per Occurrence
6. Blasting and Explosion	\$1,000,000 per Occurrence*
7. Collapse of Structures	\$1,000,000 per Occurrence*
8. Underground Damage	\$1,000,000 per Occurrence*
9. General Aggregate	\$2,000,000 per Project/Location

*Required only during the term of any construction.

Additional Requirements for Commercial General Liability Insurance:

(1) The policy shall name as additional insureds the officers, members, and employees of Landlord, Tenant and the State of Georgia, but only with respect to claims that arise out of the occupancy under this Agreement for which the Georgia Tort Claims Act, O.C.G.A. § 50-21-20 et seq. is not the exclusive remedy.

(2) The policy must provide primary coverage limits for any claims not covered by the Georgia Tort Claims Act.

(3) The policy or policies must be on an “occurrence” basis.

(4) The policy must include separate aggregate limits per project/location.

(iv) Commercial Business Automobile Liability Insurance. Landlord shall provide Commercial Business Automobile Liability Insurance which shall include coverage for bodily injury and property damage arising from the operation of any owned, non-owned or hired automobiles. The Commercial Business Automobile Liability Insurance policy shall provide not less than \$1,000,000 Combined Single Limits for each occurrence.

Additional requirements for Commercial Business Automobile Liability Insurance:

(1) The policy shall name as additional insureds the officers, members and employees of Landlord, Tenant and the State of

Georgia, but only with respect to claims arising out of the occupancy under this Agreement for which the Georgia Tort Claims Act, O.C.G.A. § 50-21-20 et seq. is not the exclusive remedy.

(2) The policy must provide primary coverage limits for any claims not covered by the Georgia Tort Claims Act.

(v) Commercial Umbrella Liability Insurance. Landlord shall provide a Commercial Umbrella Insurance Policy to provide excess coverage above the Commercial General Liability, the Commercial Business Automobile Liability and Employers' Liability to satisfy the minimum limits set forth herein. The minimum amount of Umbrella limits required above the coverage's and minimum limits stated in subparagraphs (i), (ii), (iii) and (iv) above shall be:

\$2,000,000 per Occurrence; and
\$2,000,000 aggregate.

Additional requirements for Commercial Umbrella Liability Insurance:

(1) The policy shall name as additional insureds the officers, members, agents and employees of Landlord, Tenant and the State of Georgia, but only with respect to claims arising out of work or occupancy of the Premises under this Agreement for which the Georgia Tort Claims Act, O.C.G.A. § 50-21-20 et seq. is not the exclusive remedy.

(2) The policy must provide primary coverage limits for any claims not covered by the Georgia Tort Claims Act.

(3) The policy or policies must be on an "occurrence" basis.

(vi) Builders Risk Insurance. During any period of construction only, Landlord shall provide a Builder's Risk Insurance Policy to be payable to Tenant and Landlord as their interest may appear. The policy amount shall be equal to 100% of the improvements construction contract sum, written on a 2013 Causes of loss - Special Form, or its equivalent. All deductibles shall be the sole responsibility of Landlord or the contractor. The policy shall be endorsed as follows:

"The following may occur without diminishing, changing, altering or otherwise affecting the coverage and protection afforded the insured under this policy:

(1) Furniture and equipment may be delivered to the insured premises and installed in place ready for use;

(2) Partial or complete occupancy by Tenant or Landlord;
and

(3) Performance of work in connection with construction operations insured by Landlord or Tenant, by agents or subtenants other contractors of Landlord or Tenant, or by contractors of Landlord or Tenant.

(vii) Property Insurance. During the Term, Landlord shall provide a Fire and Hazard Property Insurance Policy to be made payable to Tenant and Landlord as their interests may appear. The policy amount should be equal to 100% of the replacement value of the improvements, written on 2013 Causes of Loss - Special Form, or its equivalent. All deductibles shall be the sole responsibility of Landlord.

(viii) Rental Interruption Insurance. During the Term, Landlord shall provide a Rental Interruption Insurance Policy. Such policy shall provide coverage for full or partial interruption of rents for up to 24 months as a result of any abatement of rents (in whole or in part). Tenant, through the Institution, shall obtain a business interruption insurance policy through the state Department of Administrative Services to cover total rent during the Term the Premises is unfit for Tenant's occupancy or use.

END OF EXHIBIT "D"

EXHIBIT "E"

RENT SCHEDULE

- I. Initial Rent Payment (if appropriate)
- ii. Monthly Rent Schedule

END OF EXHIBIT "E"

EXHIBIT "F"
(Student Housing – KSU Summit II)

FCAR DUE DATES
February 1, 2029
August 1, 2031
February 1, 2034
August 1, 2036
February 1, 2039
August 1, 2041
February 1, 2044
August 1, 2046
February 1, 2049
August 1, 2051
February 1, 2054

END OF EXHIBIT "F"

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

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April __, 2025

Development Authority of Cobb County
Marietta, Georgia

Re: \$[Par Amount] Development Authority of Cobb County Lease Revenue Bonds (KSU Summit II Project) Series 2025 (the “Series 2025 Bonds”)

Ladies and Gentlemen:

We are acting as Bond Counsel in connection with the issuance and delivery on this date by the Development Authority of Cobb County (the “Issuer”) of the above referenced bonds (the “Series 2025 Bonds”), dated the date hereof. In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render the legal opinions herein, including the judgment of validation, as filed in the Superior Court of Cobb County.

The Series 2025 Bonds are issued pursuant to the Development Authorities Law, O.C.G.A. Section 36-62-1 *et seq.*, as amended, the Revenue Bond Law, O.C.G.A. Section 36-82-60 *et seq.*, as amended, and a Bond Resolution of the Issuer adopted on February 18, 2025. The Series 2025 Bonds are being issued under a Trust Indenture, dated as of April 1, 2025 (the “Indenture”), between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Series 2025 Bonds and the security therefor were validated and confirmed by order of the Superior Court of Cobb County dated March 12, 2025. The Issuer and KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”), whose sole member is Kennesaw State University Foundation, Inc. (the “Foundation”), have entered into a Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), pursuant to which the Borrower has agreed to pay to the Issuer such loan payments as will always be sufficient to pay the principal of and interest on the Series 2025 Bonds as the same become due. Under the Indenture, the rights of the Issuer under the Loan Agreement (except for Unassigned Rights, as defined therein) are pledged and assigned by the Issuer as security for the Series 2025 Bonds. The Series 2025 Bonds are payable solely from the payments to be made by the Borrower under the Loan Agreement, from the Trust Estate (defined in the Loan Agreement), and from certain additional security provided by the Borrower.

As to questions of fact material to our opinions herein, we have relied upon (a) certified representations of the Issuer, the Borrower, and the Foundation, (b) certified proceedings and other certifications of the Issuer and other public officials furnished to us, and (c) certifications furnished to us by or on behalf of the Borrower and the Foundation (including certifications made in the Tax Regulatory Agreement and No-Arbitrage Certificate (the “Tax Agreement”) among the Issuer, the Borrower, the Foundation, and the Trustee, dated the date hereof, which are material to Paragraph 4 below), without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate. With respect to matters of fact relevant to our opinions, we have relied, without independent verification of the accuracy or completeness of the matters set forth therein, on the representations and warranties of the parties thereto set forth in the documents and instruments pursuant to which the Series 2025 Bonds are being issued and secured, as well as in certificates of officers of the Issuer, the Borrower, and the Foundation delivered in connection with the issuance of the Series 2025 Bonds.

T 678.515.5000
F 678.515.5001
www.butlersnow.com

Suite 1900
1170 Peachtree Street NE
Atlanta, Georgia 30309

BUTLER SNOW LLP

In our capacity as Bond Counsel, we have not been engaged or undertaken to express and we do not express any opinion (other than as may be expressly set forth herein) with respect to (a) the legal existence or the due authorization, execution, or delivery by or enforcement against the Borrower of any instrument or agreement in connection with the facilities financed with the proceeds of the Series 2025 Bonds (the “Project”), (b) title to the Project or compliance with zoning, land use, and related laws, (c) the status of any lien or matter of record or security interest purported to be created in connection with the foregoing, or (d) the accuracy, completeness, or sufficiency of the Official Statement or any other offering material relating to the Series 2025 Bonds (except to the extent stated in our supplemental opinion dated the date hereof) or any other offering material relating to the Series 2025 Bonds or (e) the financial condition or capabilities of the Issuer, the Borrower or the Foundation.

Based upon the foregoing, and subject to the qualifications, assumptions, and statements of reliance herein, we are of the opinion, as of the date hereof and under existing statutes, regulations, rulings, and court decisions, that:

1. The Issuer has the power and authority to issue, sell, and deliver the Series 2025 Bonds and to enter into and perform its obligations under the Loan Agreement and the Indenture, and create the assignment, pledge, and security interest under the Indenture in the Trust Estate in favor of the owners of the Series 2025 Bonds.

2. The Indenture and the Loan Agreement constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

3. The Series 2025 Bonds (a) have been duly authorized, executed, and issued by the Issuer and (b) assuming the due authentication thereof by the Trustee, are valid and binding special or limited obligations of the Issuer payable solely from the Trust Estate.

4. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2025 Bonds is not a preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”) for the purpose of computing the alternative minimum tax imposed on corporations. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants in the Tax Agreement and the Loan Agreement designed to meet the requirements of the Code with which the Issuer and the Borrower have covenanted to comply in all respects. Failure to comply with such covenants may cause interest on the Series 2025 Bonds to be includable in gross income retroactively to the date of the issuance of the Series 2025 Bonds. In rendering the foregoing opinion, we have relied upon the opinion of Schulten Ward Turner & Weiss, LLP, counsel to the Borrower and the Foundation, regarding the status of the Foundation as an organization described in Section 501(c)(3) of the Code and the characterization of the Borrower as a disregarded entity for federal income tax purposes.

5. Under the laws, regulations, rulings, and judicial decisions in effect as of the date hereof, interest on the Series 2025 Bonds is exempt from present State of Georgia income taxes.

With respect to matters in (1) and (2) above, we are relying on the legal opinion of counsel to the Issuer, as to the due authorization, execution, and delivery by the Issuer of the Series 2025 Bonds, the Indenture, and the Loan Agreement.

BUTLER SNOW LLP

Development Authority of Cobb County

April __, 2025

Page 3

Except as expressly stated above, we express no opinion as to any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Series 2025 Bonds. Owners of the Series 2025 Bonds should consult their tax advisors as to the applicability of any collateral tax consequences of ownership of the Series 2025 Bonds, which may include purchase at a market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the owners of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds, the Indenture, and the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This opinion is given solely for the use and benefit of the addressee hereof, and only in connection with the issuance and delivery of the Series 2025 Bonds and may not be used or relied upon by any other person or in connection with any other transaction, except with express consent of this firm.

Very truly yours,

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APPENDIX F

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of April __, 2025, is executed and delivered by KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”), a limited liability company organized and existing under the laws of the State of Georgia which has Kennesaw State University Foundation, Inc. (the “Foundation”) as its sole member, and Digital Assurance Certification LLC, as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”), for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Borrower through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Borrower, nor anyone on the Borrower’s behalf, regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Borrower (or the Foundation’s consolidated basic financial statements that include a schedule of income and expenses for each of its subsidiaries, including the Borrower) and the University for the prior fiscal year, certified by an independent auditor (or the State Auditor of the State of Georgia in the case of the University’s financial statements) as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Borrower and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Borrower pursuant to Section 9 hereof.

“Disclosure Representative” means the Chief Executive Officer or the Chief Financial Officer of the Foundation or his or her designee, or such other person as the Borrower shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Borrower’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means (i) a debt obligation, (ii) a 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); provided that such term does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access (EMMA) system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a computer virus, electric service delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Development Authority of Cobb County.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 – <http://emma.msrb.org>.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Borrower, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Official Statement” means the Official Statement dated March __, 2025 prepared by the Borrower in connection with the Bonds listed on Exhibit A hereto.

“Trustee” means Wilmington Trust, National Association as the trustee under the Trust Indenture dated as of April 1, 2025, between the Issuer and the Trustee.

“University” means Kennesaw State University.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Borrower shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy to the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 120 days following the end of each fiscal year of the Borrower, commencing with the fiscal year ending June 30, 2025; *provided that* the filing deadline for the portion of the Annual Report consisting of the Audited Financial Statements of the University shall be not later than the end of the seventh month following the end of each fiscal year of the University (i.e., currently January 31st of each year). Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Borrower of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) inform the Disclosure Dissemination Agent in writing that the Borrower will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to send a notice to the MSRB in substantially the form attached as Exhibit B on or immediately following the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report and the procedures in Section 2(b)(ii) have not been completed by the Borrower, a Failure to File Event shall have occurred and the Borrower irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Borrower (or the Foundation) and/or the University are prepared but not available prior to the Annual Filing Date, the Borrower shall, when such Audited

Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy to the Trustee, for filing with the MSRB.

- (e) The Disclosure Dissemination Agent shall:
- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
 - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Borrower pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 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, IRS notices or events affecting the tax status of the security;”
 - 7. “Modifications to rights of securities holders, if material;”
 - 8. “Bond calls, if material;”
 - 9. “Tender offers;”
 - 10. “Defeasances;”
 - 11. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 - 12. “Rating changes;”
 - 13. “Bankruptcy, insolvency, receivership or similar event of the Obligated Person;”
 - 14. “Consummation of a merger, consolidation or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry

into a definitive agreement to undertake such an action of the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;”

15. “Appointment of a successor or additional trustee or the change of name of a trustee, if material;”
 16. “Incurrence of a Financial Obligation of the obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material”; and
 17. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties”;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Borrower pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Borrower pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly / monthly financial information;”
2. “change in fiscal year / timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim / additional financial information / operating data;”
5. “budget;”
6. “investment / debt / financial policy;”
7. “information provided to rating agency, credit / liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial / operating data;”

(viii) provide the Borrower evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Borrower may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. Each Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

(b) An update of the financial information and operating data of the type contained in the Official Statement in the tables under the captions entitled “THE UNIVERSITY—Enrollment” and “THE BOARD OF REGENTS—Funding for the University System.”

Any or all of the items listed above may be incorporated by specific reference from other documents, including official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB’s Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information must explain in narrative form the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on the debt service reserves reflecting financial difficulties;
4. Unscheduled draws on the credit enhancements reflecting financial difficulties;
5. Substitution of the 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 Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Borrower shall promptly, not in excess of 10 business days after the occurrence of the event, notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Borrower or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Borrower determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Borrower shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Borrower, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Borrower acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Borrower may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent

to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Borrower may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Borrower desires to make, contain the written authorization of the Borrower for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Borrower desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Borrower as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Borrower is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure or any Voluntary Financial Disclosure.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Borrower and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to each series of the Bonds upon the legal defeasance, prior redemption or payment in full of all of such series of the Bonds, when the Borrower is no longer an obligated person with respect to such series of the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Borrower has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Borrower may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Borrower or DAC, the Borrower agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Borrower shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Borrower.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Borrower or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Borrower and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Borrower nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Borrower. No such amendment shall become effective if the Borrower

shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that they object to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Trustee, the Disclosure Dissemination Agent, the underwriter of the Bonds, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Georgia. The Disclosure Dissemination Agent consents to the jurisdiction of Georgia courts for enforcement of this Disclosure Agreement.

SECTION 15. 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.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO DISCLOSURE DISSEMINATION AGENT AGREEMENT]

The Disclosure Dissemination Agent and the Borrower have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION LLC,
as Disclosure Dissemination Agent

By: _____
Brianna Steger
Senior Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO DISCLOSURE DISSEMINATION AGENT AGREEMENT]

KSU 2024 HOUSING REAL ESTATE FOUNDATION,
LLC, a Georgia limited liability company

By _____
Lance Burchett
President

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Development Authority of Cobb County.
Obligated Person(s): KSU 2024 Housing Real Estate Foundation, LLC.
Name of Bond Issue(s): Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025.
Date of Issuance: April __, 2025.
Date of Official Statement March __, 2025.

<u>Maturity</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> 19078V__
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¹ Priced to first optional redemption date of July 15, 20__.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: Development Authority of Cobb County.
Obligated Person(s): KSU 2024 Housing Real Estate Foundation, LLC.
Name of Bond Issue(s): Lease Revenue Bonds (KSU Summit II Student Housing Project) Series 2025.
Date of Issuance: April __, 2025.

Issuer’s Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

NOTICE IS HEREBY GIVEN that KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Borrower and Digital Assurance Certification LLC, as Disclosure Dissemination Agent. The Borrower has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____.

Digital Assurance Certification LLC, as Disclosure
Dissemination Agent, on behalf of the Borrower

cc: Issuer
Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice will be sent to the Municipal Securities Rulemaking Board, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

KSU 2024 Housing Real Estate Foundation, LLC (the "Borrower").

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages of attached: _____

____ Description of Notice Events (Check One):

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, IRS notices or events affecting the tax status of the security
7. Modifications to rights of securities holders, if material
8. Bond calls, if material
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities, if material
11. Rating changes
12. Tender offers
13. Bankruptcy, insolvency, receivership or similar event of the obligated person
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 action, other than pursuant to its terms, if material
16. Incurrence of a financial obligation of the obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material
17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of April __, 2025, by and between KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”), and DAC.

Issuer’s and/or Other Obligated Persons’ Names:

KSU 2024 Housing Real Estate Foundation, LLC.

Issuer’s Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of April __, 2025, by and between KSU 2024 Housing Real Estate Foundation, LLC (the “Borrower”), and DAC.

Issuer’s and/or Other Obligated Persons’ Names:

KSU 2024 Housing Real Estate Foundation, LLC.

Issuer’s Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the Borrower or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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