PROJECT OPERATING AGREEMENT

FOR THE LEASING OF STUDENT HOUSING

(PHASE I)

Between

THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

and

CONCESSIONAIRE

a [State] [entity]

relating to the campus of

[INSTITUTION NAME]

Dated November [___], 2014
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Schedule 2.3: Decisions Reserved for BOR Central Administration → Not yet finalized.
Schedule 2.5: BOR Organizational Chart → Not yet finalized.
Schedule 2.6: Concessionaire Organizational Chart → To be provided by Concessionaire.
Schedule 3.1: Summer 2015 and 2016 Committed Usage → To be provided August 22, 2014.
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Schedule 4.1.2: Initial Gross Fees → To be provided August 22, 2014.
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Schedule 7.3: Residence Life Facilities and Rents → To be provided August 22, 2014.
Schedule 7.5: Residence Life Handbook → Posted on Sharepoint.
Schedule 7.6: Residence Life Amenities and Campus-Wide Agreements → To be provided August 22, 2014.
Schedule 8.2.1: Concessionaire Staff → To be provided by Concessionaire.
Schedule 8.6: Budget Format → Not yet finalized.
Schedule 8.7.1(c): Facility Inspection Report Form → Not yet finalized.
Schedule 9.1: APPA Standards
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PROJECT OPERATING AGREEMENT
FOR THE LEASING OF STUDENT HOUSING
(PHASE I)

THIS PROJECT OPERATING AGREEMENT (this “Agreement”) is made and entered into this November [__], 2014 (the “Effective Date”), by and between THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA (the “BOR”), acting on behalf of [INSTITUTION NAME] (the “Institution”), and CONCESSIONAIRE, a [State] [entity] (the “Concessionaire”). The BOR and the Concessionaire are sometimes herein collectively referred to as the “Parties” and individually as a “Party.”

WITNESSETH:

WHEREAS, the BOR is the governing body of the University System of Georgia (the “System”) and is responsible for the control and management of the System and the colleges and universities that comprise the System, including the Institution; and

WHEREAS, the BOR has determined that it is in the best interest of the System to lease certain student housing resources currently located on, and to contract for the development of certain new student housing resources on, the campuses of nine System institutions, including the Institution (the “Phase I Institutions”); and

WHEREAS, the BOR issued a Request for Proposals (the “RFP”) soliciting proposals for the aforementioned leasing and development projects, which involve the transfer, development, design, demolition, construction, management, operation, repair, maintenance and replacement, as applicable, of certain student housing resources and other buildings, structures, appurtenances and other improvements now or to be located on certain portions of the campuses of the Phase I Institutions (the “Phase I Projects”); and

WHEREAS, in order to effect or coordinate the effecting of the transactions contemplated by the RFP, the BOR and the Concessionaire have entered into that certain Master Concession Agreement, dated as of November [__], 2014 (the “Master Concession Agreement”); and

WHEREAS, to provide for the operation and management of the Projects located on each campus, the BOR and the Concessionaire are entering into a Project Operating Agreement for each Phase I Institution, and this Agreement is the Project Operating Agreement for the Institution; and

WHEREAS, each Project Operating Agreement contains substantially the same terms and provisions applicable to each of the Phase I Institutions, but this Agreement contains certain Special Stipulations (the “Special Stipulations”) which apply only to the Institution; and

NOW, THEREFORE, it is mutually covenanted and agreed as follows:
ARTICLE I.

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Certain capitalized terms used but not otherwise defined herein shall have the meanings set forth below. Capitalized terms used herein that are not defined below or elsewhere in this Agreement shall have the meanings set forth in the Master Concession Agreement.

“Annual MRC Meeting” shall have the meaning set forth in Section 2.4.2.3.

“Application Fees” shall have the meaning set forth in Section 4.1.1.

“BOR Portfolio Manager” shall have the meaning set forth in Section 2.4.1.

“Campus” means the campus of the Institution located in ________, Georgia.

“Campus Management Office” shall have the meaning set forth in Section 3.2.1.

“Concessionaire Account Manager” shall have the meaning set forth in Section 2.4.1.

“Damage Fees” shall have the meaning set forth in Section 4.1.1.

“Deposits” shall have the meaning set forth in Section 4.1.2.

“Event of Nonperformance” means any failure to meet a benchmark by the Concessionaire that is expressly identified as an Event of Nonperformance in Section 12.1.

“FERPA” means the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, as amended from time to time, and the regulations promulgated thereunder from time to time.

“Gross Fees” means all the amounts payable to the Concessionaire set forth in Section 4.1.1.

“Initial Term” shall have the meaning set forth in Section 2.1.

“Institution Point of Contact” shall have the meaning set forth in Section 2.4.1.2.

“Key Performance Indicator” means the performance metrics that are expressly identified as Key Performance Indicators in Section 8.7.

“Management Review Committee” shall have the meaning set forth in Section 2.4.2.

“NFPA 72” means the consensus standards administered, trademarked, copyrighted and published by the National Fire Protection Association under the title “National Fire Alarm Signaling Code,” as updated from time to time.
“NFPA 101” means the consensus standards administered, trademarked, copyrighted and published by the National Fire Protection Association under the title “Life Safety Code,” as updated from time to time.

“Parking Facility” and “Parking Facilities” shall have the meaning set forth in Section 8.4.

“Reservation Fees” shall have the meaning set forth in Section 4.1.1.

“Residence Life Facilities” means that portions of any Existing Housing Project currently used, or that portion of a New Housing Project to be used, by the Institution’s residence life staff for non-revenue producing activities supporting the living-learning environment of the applicable Project, including, but not limited to, study rooms, recreation rooms, computer labs and student lounges, as more specifically described in the Lease relating to that Project.

“Residence Life Administration Facilities” means all portions of any Project for the Institution’s use, as described in Section 7.3 and in the Lease relating to that Project.

“Resident Housing Agreement Termination Fees” shall have the meaning set forth in Section 4.1.1.

“Resident Housing Fees” shall have the meaning set forth in Section 4.1.1.

“Summer Usage Fees” shall have the meaning set forth in Section 4.1.1.

Section 1.2 General Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in Section 1.1 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) All references herein to “Articles,” “Sections,” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Agreement as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Agreement or describe the scope or intent of any provisions hereof.

(d) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.
ARTICLE II.

TERM; CONCESSION MANAGEMENT; SPECIAL STIPULATIONS

Section 2.1 Term. This Agreement shall be effective from the Effective Date through June 30, 2025 (such period, the “Initial Term”). This Agreement may be renewed upon mutual agreement of the Parties for additional ten (10) year terms upon the expiration of the Initial Term and upon any subsequent ten (10) year anniversary of the expiration of the Initial Term; provided, however, that this Agreement shall automatically and immediately be terminated (a) in the event that no Lease relating to a Project at the Institution remains in effect or (b) upon the termination of the Master Concession Agreement in accordance with Section 2.3 or 11.2 thereof.

Section 2.2 Special Stipulations. Set forth on Schedule 2.2 to this Agreement are the “Special Stipulations” for the Institution, the terms of which may vary from the Special Stipulations for the other Phase I Institutions. The Special Stipulations are hereby incorporated herein and made a part hereof. In the event of any inconsistency between the provisions of this Agreement and the Special Stipulations, the Special Stipulations shall control.

Section 2.3 Day-to-Day Management. Except as otherwise provided in this Agreement and as outlined on Schedule 2.3 to this Agreement, the Institution shall have the authority for day-to-day decisions related to this Agreement. Schedule 2.3 outlines those decision areas reserved to the BOR.

Section 2.4 Enterprise Management.

2.4.1 In order to facilitate interaction between the Concessionaire and the BOR, the BOR shall designate an individual to act as the portfolio manager for the BOR (the “BOR Portfolio Manager”), and the Concessionaire shall designate a single individual to act as the portfolio manager for the Concessionaire (the “Concessionaire Account Manager”). The BOR and the Concessionaire shall communicate the identity of the individuals so designated to the other Party in writing. The BOR Portfolio Manager and Concessionaire Account Manager shall have the roles and responsibilities set forth in this Agreement.

2.4.1.1 The BOR and the Concessionaire may change the individual designated as the BOR Portfolio Manager or Concessionaire Account Manager, respectively, upon ten (10) days’ written notice to the other Party.

2.4.1.2 The Institution shall designate an individual responsible for administering this Agreement at the Institution (the “Institution Point of Contact”). The Institution Point of Contact shall coordinate communication between the BOR Portfolio Manager, the Concessionaire Account Manager and the Institution.

2.4.2 The BOR and the Concessionaire hereby establish a committee responsible for ensuring proper communication between and timely decision-making by the
Parties and all Phase I Institutions in matters governed by the Project Operating Agreements for the Phase I Institutions and the Master Concession Agreement (the “Management Review Committee”). It is anticipated that the Management Review Committee will be comprised of approximately equal members of representatives from the BOR and the Phase I Institutions, on the one hand, and from the Concessionaire and its management teams (including third party vendors) on the other.

2.4.2.1 The Management Review Committee will meet quarterly in January, April, July and October on a date established by the BOR Portfolio Manager and announced no later than sixty (60) days in advance of the applicable meeting. Each meeting will proceed according to a detailed agenda prepared by the BOR Portfolio Manager and Concessionaire Account Manager and circulated no later than ten (10) days prior to the applicable meeting. Each meeting will be held on the campus of a Phase I Institution, with the location to be rotated among the Phase I Institutions at the BOR’s sole and absolute discretion, or at such other location as the Parties agree to in writing.

2.4.2.2 Minutes and records of the meetings will be prepared by the BOR Portfolio Manager and Concessionaire Account Manager and circulated to the members of the Management Review Committee within thirty (30) days after each meeting.

2.4.2.3 Each meeting of the Management Review Committee held in October will be designated as an “Annual MRC Meeting.” At each Annual MRC Meeting, the Management Review Committee will review:

(a) the Concessionaire’s performance and the Phase I Projects’ performance in the prior year (including without limitation occupancy information, financial information and development progress, as applicable);

(b) the Concessionaire’s current year budget for the Phase I Projects and initial reforecast of such budget based on the information regarding the Phase I Projects’ performance over the course of the current year (including without limitation occupancy information, financial information and development progress, as applicable) that is available prior to such Annual MRC Meeting;

(c) the Concessionaire’s performance with respect to Key Performance Indicators in the prior year;

(d) the recommended Resident Housing Rates for the succeeding Fiscal Year, which shall subsequently be set and approved in accordance with Section 5.1; and

(e) such other issues as may be brought before the Management Review Committee by the BOR Portfolio Manager or Concessionaire Account Manager.

Section 2.5 BOR’s Project Team and Organizational Chart. The organizational chart showing the BOR’s team responsible for the administration of this Agreement is attached hereto as Schedule 2.5. The BOR shall update Schedule 2.5 as necessary to reflect changes.
Section 2.6 Concessionaire’s Project Team and Organizational Chart. The organizational chart showing the Concessionaire’s team responsible for the administration of this Agreement is attached hereto as Schedule 2.6. The Concessionaire shall update Schedule 2.6 as necessary to reflect changes.

ARTICLE III.

PREMISES TRANSITION

Section 3.1 Assignment of Contracts. The Concessionaire acknowledges that the Institution has contracted with the third parties identified on Schedule 3.1 for summer 2015 and/or 2016 usage of the Projects for the dates listed on, and at the rates payable to the Institution or the Concessionaire, as applicable, shown on, Schedule 3.1. The Concessionaire agrees to allow such third parties to use the applicable Project for these times and to clean any rooms used as necessary to accommodate room turn. All Gross Fees that accrue for periods prior to July 1, 2015, and accounts payable accrued in connection with the applicable Project or Projects prior to July 1, 2015, as well as all rights to either of the foregoing, shall remain the property of the BOR, and all liabilities associated with any of the foregoing or otherwise incurred prior July 1, 2015, shall remain obligations of the BOR. Except as provided otherwise in this Agreement and the other Operative Agreements, all Gross Fees that accrue for periods beginning July 1, 2015, or later and accounts payable accrued in connection with the applicable Project or Projects on or after July 1, 2015, as well as all rights to either of the foregoing, shall be the property of the Concessionaire, and all liabilities associated with any of the foregoing or otherwise incurred on or after July 1, 2015, shall be obligations of the Concessionaire.

Section 3.2 Management Office.

3.2.1 The Concessionaire shall establish a housing management and maintenance office at the Campus (each, a “Campus Management Office”) at a location that is (a) reasonably accessible by and convenient for the Residents of the Projects on the Campus and (b) either (i) approved in writing by the Institution, in the event that such location is on a Project or within the applicable Premises Improvements, or (ii) designated by the Institution in its sole and absolute discretion, in the event that no reasonable space is available on a Project or within the applicable Premises Improvements and such location must therefore be elsewhere on the Campus. A Campus Management Office may be located within the Institution’s existing housing management and/or maintenance office(s) if the Institution so decides in its sole and absolute discretion.

3.2.2 The Concessionaire shall maintain a Campus Management Office at the Institution throughout the term of this Agreement.

3.2.3 The initial location and address of the Campus Management Office shall be:

[Insert applicable address/location.]

The initial location of the maintenance office shall be:
Without limiting Section 3.2.1, the Concessionaire may locate a Campus Management Office on a Project or within the applicable Premises Improvements only if such placement of the Campus Management Office does not decrease the number of rooms available for Residents or reduce the space available for Residence Life Facilities.

The Concessionaire may relocate any Campus Management Office, provided that (a) the Concessionaire provides written notice of its desire for such relocation to the BOR and the Institution and (b) the new location meets the requirements of, and is approved or designated in accordance with, Section 3.2.1.

If the Institution designates a location for a Campus Management Office in accordance with Section 3.2.1(b)(ii), the Concessionaire shall pay market rent to the Institution for such space.

In the event that no reasonable space is available on the Campus, the Concessionaire may locate its Campus Management Office off Campus, provided that such off-campus location is (a) reasonably accessible by and convenient for the Residents of the Projects on the Campus and (b) approved in writing by the Institution.

Section 3.3 Information Technology.

The Concessionaire and the Institution shall cooperate to ensure the existing and future computer and communications integration between each Project and the rest of the Campus.

The Concessionaire, at its expense, shall provide installation work necessary for installation of conduits to connect each Project to the Institution’s existing information technology network in a location reasonably agreed to by the Institution and the Concessionaire.

The software currently used by the Institution at each Existing Housing Project for each component of room assignment, work-order flow, residence life and security is listed on Schedule 3.3.3. The Concessionaire, with the consent of the Institution, to be granted or withheld in the Institution’s sole and absolute discretion, may integrate additional software or technology into the Institution’s technology provided that:

(a) the Concessionaire shall pay all reasonable costs of any system integration required by the Institution; and

(b) any additional software or technology does not affect the operation or functionality of the Institution’s existing software.

The Concessionaire acknowledges that certain student information is private and may not be released or disclosed by the Institution. Such information will be segregated by the Institution and not included in any integrated software system or technology to which the Concessionaire has access.
3.3.4 The Institution shall allow the Concessionaire’s employees access to the Institution’s maintenance work order system for the Existing Housing Projects for a period of ninety (90) days following the Project Turnover Date to enable the Concessionaire’s work order system to become fully capable. Nothing herein shall prohibit the Concessionaire from using the Institution’s work order system on a permanent basis, provided that, in order to use the Institution’s work order system on a permanent basis, the Concessionaire must pay the reasonable costs of maintaining the system as determined by the Institution. The Concessionaire agrees to train the Institution’s maintenance and residence life personnel in the use of any work order system installed by the Concessionaire and to grant reasonable access to any such system to the Institution’s maintenance and residence life personnel.

3.3.5 The Concessionaire shall cooperate with the Institution to ensure the continuity of access to campus information technology networks for Residents, in accordance with Section 8.5. For the purposes hereof, installed distributed antenna systems, whether owned by the Institution or by a third party, shall be considered the property of the Institution, and the Concessionaire agrees to allow such systems to remain and provide reasonable access for the service of such systems to Institution’s personnel or contractors. The Concessionaire will not be entitled to any financial benefit derived from the existence of installed distributed antenna systems at any Project.

Section 3.4 Transfer of Personal Property. The list of furniture, fixtures, equipment and personal property transferred to the Concessionaire is listed on Schedule 3.4. The BOR will convey the personal property listed on Schedule 3.4 in accordance with the terms of the applicable Lease.

ARTICLE IV.

HOUSING FEE COLLECTION AND DISTRIBUTION

Section 4.1 Fee Collection.

4.1.1 For the purposes of this Agreement, funds owed to the Concessionaire shall be called “Gross Fees” and shall consist of the following, to the extent such fee is charged to or assessed against Residents or Permitted Residents:

(a) “Resident Housing Fees,” which shall comprise the costs for Resident bedspace and shall be billed to each Resident at the applicable Resident Housing Rate on a semester basis. Resident Housing Fees also include any such fees paid for summer academic terms. Resident Housing Fees shall be non-refundable except as expressly set forth in Section 6.8 or as required by Applicable Law, including without limitation by regulations issued by the U.S. Department of Education;

(b) “Application Fees,” which may be collected from any individual who submits an application for a Resident Housing Agreement upon submission of such application. Application Fees shall be non-refundable and shall not be credited toward the payment of any Resident Housing Fees;
(c) “Damage Fees,” which may be billed to each applicable Resident on a semester basis. Damage Fees may also be billed for summer academic terms. Damage Fees shall be non-refundable except as expressly set forth in Section 6.8 or as required by Applicable Law, including without limitation by regulations issued by the U.S. Department of Education;

(d) “Reservation Fees,” which may be billed upon the approval of an application for a Resident Housing Agreement, shall be credited against the Resident Housing Fees for that Resident Housing Agreement, and shall be refundable if the Concessionaire is unable to accommodate the Resident;

(e) “Resident Housing Agreement Termination Fees,” which may be billed upon certain permitted contract terminations as provided in Section 6.8. Resident Housing Agreement Termination Fees are non-refundable; and

(f) “Summer Usage Fees” for Institution-sponsored summer activities unrelated to the Institution’s traditional academic purposes. Summer Usage Fees for summer activities will be billed as agreed from time to time on a case-by-case basis by the Concessionaire and the Institution.

4.1.2 Each Resident may also be required to deposit, once per Resident Housing Agreement term, prior to the commencement of the applicable semester or term, a specified amount to provide security for any amounts owing at the expiration or earlier termination of such Resident’s Resident Housing Agreement (each, a “Deposit”). Each Deposit will be refundable provided that the applicable Resident has no outstanding balances owing for housing related items (including, without limitation, damage-related items) at the expiration of his or her Resident Housing Agreement. Deposits or portions of Deposits shall be taken into account as and accounted for as Gross Fees only to the extent such Deposits or portions of Deposits are retained by the Concessionaire and applied by the Concessionaire to the payment of amounts (other than damage-related items) owing from the Resident to the Concessionaire. In the event that a Resident transfers from a Project to Retained Housing or an individual residing at Retained Housing transfers to a Project, the party holding the Deposit at the time of the transfer will promptly transfer the Deposit to the party operating the housing where such individual will reside following the transfer.

4.1.3 It is not expected that every component of Gross Fees listed above will be utilized at each Phase I Project. The use and level of any component of Gross Fees will be subject to BOR approval in the same manner and to the same extent as the approval of Resident Housing Fees pursuant to Section 5.1.5 of the Master Concession Agreement.

4.1.4 For the initial year of this Agreement, all Gross Fees and components thereof set forth above, other than Summer Usage Fees, and any required Deposits, shall be set at the amounts shown on Schedule 4.1.4. Summer Usage Fees for the initial year shall be mutually determined from time to time by the Concessionaire and the Institution.

4.1.5 The Institution shall, and the Concessionaire authorizes the Institution to, collect all components of Gross Fees and all Deposits from Residents or any other applicable party on behalf of the Concessionaire and to invoice students for housing and the Gross Fees and
Deposits as integrated into the institutional bursar system for collecting tuition and other fees. The Gross Fees collected by the Institution pursuant to this Section 4.1.5 shall include all payments of Resident Housing Fees, including any payments made by or funds received from third party sources, including without limitation scholarships, financial aid, grants, student loans, stipends and any benefits provided in connection with a Resident’s military service or to a Resident in connection with anyone else’s military service.

4.1.6 The Concessionaire assumes all risk for non-payment by Residents. The Institution shall invoice Residents and make a good faith effort to collect all applicable Gross Fees and Deposits but shall have no liability whatsoever to the Concessionaire for any unpaid Gross Fees or Deposits. The Concessionaire may undertake such efforts as it deems appropriate to collect any unpaid Gross Fees, provided that any such efforts must be undertaken in the name of the Concessionaire and not in the name of the BOR or the Institution. The Concessionaire may not, directly or indirectly, represent that any amount is owed to the Institution or to the BOR or that it is collecting any amount on behalf of or for the Institution or on behalf of or for the BOR. Without limiting any provision of Article X of the Master Concession Agreement, the Concessionaire agrees to indemnify and hold harmless the Institution and the BOR against any claim, loss, expense or damage incurred or suffered by the Institution or the BOR as a result of the Concessionaire’s collection efforts.

4.1.7 The Institution shall, no less than monthly, report to the Concessionaire on the amount of Gross Fees and Deposits collected by the Institution and owing to the Concessionaire. Upon the approval of the Institution, the Concessionaire, at its sole expense, may provide an application protocol interface for retrieving such financial information as needed, provided that no interface shall cause the Institution to be in violation of any Applicable Law, including but not limited to FERPA and such interface does not interfere with the operation of any Institution system.

4.1.8 In situations where payments by Residents are not designated as to be applied against specific charges, the Institution may, at its option and consistent with the Institution’s standard practices, apply any payments in the following priority: (a) to unpaid tuition fees, whether owing for a prior semester or for an upcoming semester; (b) to unpaid mandatory student academic fees and other mandatory fees required for enrollment by any student at the Institution; (c) to dining fees and related charges; (d) to Gross Fees; and (e) to any other charges.

4.1.9 The Concessionaire may, after written notice to the Institution received no less than five (5) Business Days prior to the beginning of a semester, revoke a Resident Housing Agreement from any Permitted Resident owing unpaid Gross Fees. Notice from Concessionaire must specifically name any Permitted Resident(s) to be so declined. The Institution shall make a good faith effort to prevent any Permitted Resident identified in such notice from moving into the applicable Project, but the Concessionaire waives any claim against the Institution or the BOR that may arise in connection with such Permitted Resident’s occupying a Project.

4.1.10 The Concessionaire shall be responsible for assessing and collecting damage costs for repairs that are necessary as a result of damage beyond reasonable wear and
tear to the Projects and shall be responsible for restoring the Project to the condition required by Section 9.1, regardless of whether it is able to assess and collect damage costs from Permitted Residents. The Institution shall not be required to bill any Resident for damages beyond the Damage Fees as defined in Section 4.1.1(c) and shall not be responsible for uncollected repair costs. The Concessionaire shall have the sole responsibility to invoice and collect charges from Residents who damage any Project at the end of the term of such Resident’s Resident Housing Agreement if the damage exceeds the amount of such Resident’s Deposit, if any. Any collection efforts shall be subject to the conditions described in Section 4.1.6.

Section 4.2 Gross Fee Remittance to Concessionaire.

4.2.1 The Institution shall forward to the Concessionaire all Gross Fee payments and Deposits that it collects as set forth below. In order to accommodate additions to, withdrawals from, and transfers between Projects by Residents and to reserve balances for any necessary refunds, payments shall be made by the Institution in accordance with the following schedule:

4.2.1.1 By October 10 of each Fiscal Year that this Agreement is in effect, the Institution shall forward ninety percent (90%) of the Gross Fees and Deposits that have actually been collected by the Institution as of September 30 of such Fiscal Year that are attributable to such Fiscal Year’s fall academic semester, along with one-hundred percent (100%) of Gross Fees attributable to any preceding Fiscal Year that have actually been collected by the Institution as of September 30 of the current Fiscal Year but not yet remitted to the Concessionaire;

4.2.1.2 By December 10 of each Fiscal Year that this Agreement is in effect, the Institution shall forward one-hundred percent (100%) of the Gross Fees and Deposits that have actually been collected by the Institution as of November 30 of such Fiscal Year that are attributable to such Fiscal Year’s fall academic semester;

4.2.1.3 By March 10 of each Fiscal Year that this Agreement is in effect, the Institution shall forward ninety percent (90%) of the Gross Fees and Deposits that have actually been collected by the Institution as of February 28 of such Fiscal Year that are attributable to such Fiscal Year’s spring academic semester;

4.2.1.4 By May 10 of each Fiscal Year that this Agreement is in effect, the Institution shall forward one-hundred percent (100%) of the Gross Fees and Deposits that have actually been collected by the Institution as of April 30 of such Fiscal Year that are attributable to such Fiscal Year’s spring academic semester; and

4.2.1.5 By June 30 of each Fiscal Year that this Agreement is in effect, the Institution shall forward one-hundred percent (100%) of collected Gross Fees and Deposits that have actually been collected by the Institution as of June 15 of such Fiscal Year that are attributable to such year’s summer academic term, along with any Summer Usage Fees actually received prior to June 15 of such year.

4.2.2 The Institution may deduct from the amount of Gross Fees and Deposits remitted to the Concessionaire the amount of any credit card transaction fees incurred by the
Institution in the collection of such Gross Fees and Deposits. Additional adjustments to the amount of Gross Fees remitted to the Concessionaire by the Institution will be made for the following circumstances:

(a) move-out or termination of residency by any Resident for any of the permitted reasons as shown in Sections 6.8.2 or 6.8.3 of this Agreement;

(b) transfer of an existing Resident from a Project to Retained Housing, or from Retained Housing to a Project, in accordance with Section 6.4.3 of this Agreement, in which case the Gross Fee payments made by the Resident will be applied to each facility based on the number of days the Resident resided in each facility;

(c) the reimbursement by Institution of any financial aid utilized for housing fees which is subsequently required by the U.S. Department of Education to be refunded; and

(d) other payments received or reimbursements made as agreed upon by the Institution and the Concessionaire.

ARTICLE V.

HOUSING FEE MANAGEMENT AND MARKETING

Section 5.1 Setting and Approval of Housing Fees.

5.1.1 Resident Housing Rates for each Project for all semesters in the first (1st) academic year of the Term shall be set at the amounts set forth on Exhibit A to the Master Concession Agreement.

5.1.2 The Management Review Committee shall, at each Annual MRC Meeting, agree upon and propose the Resident Housing Rates for each Project for each semester of the following academic year, subject to the provisions of this Section 5.1. The Resident Housing Rates so agreed upon and proposed shall be presented to the BOR for its approval, such approval not to be unreasonably withheld, conditioned or delayed. Following the approval of Resident Housing Rates by the BOR, such Rates shall be submitted to the Concessionaire for its final approval.

5.1.3 Resident Housing Fees calculated on a weighted basis for all Phase I Projects may not increase by more than three percent (3%) per year over the prior academic year’s Resident Housing Fees. Nothing herein shall restrain the Concessionaire from requesting approval of housing fee increases higher than three percent (3%) per year because of extraordinary increases in operating expenses, including but not limited to utilities and taxes or other circumstances reasonably deemed by the Concessionaire to warrant an increase in the Housing Fees. Any such request shall be considered by the BOR on a case by case basis, and the BOR shall either approve or deny such request in its sole and absolute discretion. No approval of such an increase in excess of three percent (3%) shall be considered approval of or contributory to approval of any subsequent request for a housing fee increase in excess of three percent (3%).
5.1.4 No less than every three (3) years, the Concessionaire shall obtain a market study to be performed by an independent third party consultant with expertise in student housing rates to examine the competitive market for student housing, taking into account on-campus student housing as well as off-campus student housing. The initial three (3) year period for the purposes of this Section 5.1.4 shall commence with the beginning of the 2016-2017 academic year, so that that initial market study required by this Section 5.1.4 must be obtained before the end of the 2018-2019 academic year.

5.1.4.1 The study shall compare the current housing fees to on-campus housing rates at the Retained Housing, on-campus housing rates at nearby University System of Georgia institutions, and rates at private student housing developments serving the Institution’s students, as reasonably determined by the consultant.

5.1.4.2 The study will determine what costs are included in the benchmark rates (e.g., utilities) and whether the housing is furnished or unfurnished for comparison purposes.

5.1.4.3 The study shall include a demographic analysis of the student housing population at each Project compared to the total student population to determine trends, opportunities, needs, sources of housing payment and levels of financial aid, as well as any other related information.

5.1.4.4 The study shall compare occupancy rates at the Projects to occupancy rates at the other developments listed in Section 5.1.4.1.

5.1.4.5 As part of the study, the consultant shall determine a recommended Resident Housing Rate for each Project, which shall be non-binding but may be used by the Management Review Committee in proposing, or by the BOR or the Concessionaire in analyzing whether to approve, Resident Housing Rates.

5.1.4.6 The Concessionaire shall be responsible for coordinating and shall pay all costs of any market study required by this Section 5.1.4.

Section 5.2 Marketing of the Housing by Institution(s).

5.2.1 Subject in all respects to the provisions of Section 5.6 of the Master Concession Agreement, the Institution and the Concessionaire shall make reasonable efforts to determine the target occupancy levels for the Projects on an annual basis and fill all available beds at the Projects.

5.2.2 The Institution shall be responsible for marketing and recruitment for the entire Campus, including the Projects. All marketing of on-campus housing, including the Projects, to Permitted Residents, including both current and prospective students, shall be coordinated through the Institution. The Concessionaire may undertake marketing of the Projects only in accordance with Section 5.3.

5.2.3 All marketing efforts undertaken by the Institution shall present the Projects at the Institution as “on-campus” housing, and no marketing efforts undertaken by the
Institution shall distinguish between any Project and any Retained Housing except in such ways as would be reasonable to distinguish between different units of Retained Housing or different Projects, such as highlighting distinct features of the applicable housing units.

5.2.4 In October of each year that this Agreement is in effect, the Concessionaire and the Institution may agree on a supplemental marketing budget for enhanced marketing efforts for the following Fiscal Year, if applicable, which may factor in the cost of events, promotions, materials, advertising, and any other reasonable marketing efforts agreed upon by the Concessionaire and the Institution. If any marketing effort is intended to promote both a Project or Projects and Retained Housing, the Concessionaire shall be responsible for funding a percentage of the cost of such effort that is equal to (a) the number of beds in the Project or Projects being promoted divided by (b) the sum of (i) number of beds in the Project or Projects being promoted plus (ii) the number of beds in the Retained Housing being promoted.

5.2.5 The Institution may market a Project or Projects together with the Retained Housing on the Campus, if any, with the costs of such marketing allocated as provided in Section 5.2.4.

5.2.6 All e-mail marketing efforts undertaken by the Institution shall include information on the Projects as well as any Retained Housing, and such information shall be presented in a manner that complies with Section 5.2.3.

5.2.7 Concessionaire and Institution agree that all marketing information for a Project shall incorporate the colors, logos and branding of the Institution as determined by the Institution, and shall integrate with overall Institution branding efforts.

5.2.8 The Concessionaire shall cooperate with the Institution to allow access to all Projects as part of tours of the Institution conducted by the Institution’s residence life program. If available, during such tours the Concessionaire shall provide access to a bedroom in the applicable Project or Projects for purposes of allowing prospective students of the Institution to view the bedrooms at such Project or Projects.

5.2.9 Concessionaire and Institution shall cooperate in good faith to market the Projects, in a non-discriminatory fashion with other on-campus housing, during recruiting and marketing events.

5.2.9.1 The Concessionaire shall have the right to display approved marketing materials for the Projects at all locations where marketing materials for Retained Housing are displayed.

5.2.9.2 Without limiting any other provision of this Section 5.2, the Concessionaire shall have the right to market the Projects at events hosted by the Institution at which housing options are presented, such as advising conferences, merit weekends, open houses, preview nights, and orientations. The Concessionaire shall provide the Institution the content of its proposed marketing at least three (3) Business Days in advance of such events for obtaining the Institution’s approval of such content in accordance with Section 5.3.2.
5.2.10 The Concessionaire agrees to allow the Institution to house admitted students at the Projects during summer orientation for up to eight (8) nights at no cost to the Institution and thereafter at a per diem rate no greater than the applicable Resident Housing Rate for the immediately preceding spring semester, as prorated to a per diem rate, and the Concessionaire agrees to work in good faith to make sufficient rooms available at the Projects for such orientations in the same manner as the Institution houses orientation sessions at the Retained Housing on the Campus, if any.

Section 5.3 Marketing of the Housing by Concessionaire.

5.3.1 In furtherance and not in limitation of any of the provisions of Section 5.2, the Concessionaire shall not undertake any marketing of any Project without the consent of the Institution, which shall not be unreasonably withheld. Nothing herein shall prohibit the Concessionaire from producing marketing materials that promote a Project or certain Projects specifically, provided such materials comply with the provisions of this Article V.

5.3.2 No marketing materials shall be used by the Concessionaire without the prior written approval of the Institution. The BOR and the Institution hereby grant to the Concessionaire a non-exclusive license throughout the term of this Agreement to use logos, trademarks, and the Institution name solely for the marketing purposes permitted by this Agreement.

5.3.3 The Concessionaire shall bear the cost of all marketing materials distributed by the Concessionaire.

5.3.4 The Concessionaire shall not offer special incentives to Residents of any Project that are not offered by the Institution on a campus-wide basis without the prior written consent of the Institution.

ARTICLE VI.

LEASE UP AND RESIDENCY

Section 6.1 Applications. All applications for housing at the Projects shall be filed exclusively through the Institution’s standard application process in effect at that time, whether online, via mail or in person. At a minimum, the Institution shall maintain application and sign up information for the applicable Projects on the Institution’s website. The Concessionaire’s website shall not include a mechanism for filing an application and shall instead provide a link to the Institution’s website, which will be the only website, if any, through which an application may be filed, and no applications shall be filed through the Concessionaire via mail or in person.

Section 6.2 Permitted Residents. The Concessionaire shall at all times comply with Section 5.1.1 of the Master Concession Agreement and shall not enter into any Resident Housing Agreement with any individual who is not a Permitted Resident. The Institution may require the Concessionaire to promptly remove any individual who is not a Permitted Resident from any Project and remove such individual’s belongings.

Section 6.3 Housing Application Process.
6.3.1 The Institution shall be responsible for creating, distributing and collecting applications for housing. The Institution may elect to use either or both of an electronic or paper system of its choice. The housing agreement application form currently used by the Institution is shown on Schedule 6.3.1. The application form for any Project or Projects may be changed by the Institution with reasonable notice to the Concessionaire but will at all times be the same form used by the Institution for any Retained Housing.

6.3.2 The Institution may require students to pay for and undergo a background check prior to the housing assignment process to ensure the student meets Institution and community standards for living in campus housing. Should the Institution elect to require background checks on applicants, the Institution will be responsible for coordinating the process and make the final determination on the eligibility of applicants. The cost of any background checks will be collected from student applicants and retained and used by the Institution to pay for such background check. Such fees will not constitute part of the Gross Fees.

6.3.3 Admitted students will receive information via mail and email from Institution regarding the application process and deadlines for campus housing. The student must submit a housing application as well as a non-refundable housing Application Fee for a housing assignment to be made.

6.3.3.1 The amount of the Application Fee for each Project shall be determined by the Concessionaire, subject to the Institution’s reasonable approval. The Concessionaire agrees that the Application Fee for any Project shall be equal to the application fee for Retained Housing at the Institution where such Project is located, if applicable.

6.3.3.2 Both new and returning Residents will be required to pay any applicable Reservation Fee to secure their housing assigned for the upcoming terms. The Concessionaire acknowledges the Reservation Fee is paid once per Resident Housing Agreement term and is designed to encourage commitment from students at the time of application, and may be paid in accordance with the standard procedures Institution uses to accept or process other payments. Returning Residents shall not be required to pay an additional Application Fee or Deposit to secure a space for consecutive terms. For purposes of this provision, the summer session will not count as consecutive between the spring and fall semesters.

6.3.3.3 Students who apply for housing prior to a designated date for the fall semester shall receive priority consideration for room preference within the limitation of the Institution’s housing policies.

6.3.4 The Concessionaire and the Institution will agree upon an annual housing calendar which will include move-in and move-out dates as well as times during which the Projects will be closed. The Institution will determine whether deadlines will be set for housing applications; however, Institution may, in its discretion, accept applications and place students into housing, including at the Projects, as available after any deadline. If the Institution guarantees that first year students will receive placement if they apply by a certain date, such students shall receive priority in placement at the Projects as determined by the Institution.
6.3.5 All student information will be managed by and kept secure by the Institution, in accordance with Applicable Law. The Concessionaire acknowledges that any student information not on the housing application shall not be divulged to the Concessionaire.

6.3.6 The Institution will be responsible for selecting students to live at the Projects on the Campus and for extending official offers of housing to students. Without limiting any provision of Sections 6.8 and 6.9, the Institution shall have the right to deny applications for residency due to student conduct violations and failure to meet established minimum acceptable behavior standards.

6.3.7 The Institution shall be responsible for complying with the University System of Georgia records retention guidelines and all Applicable Laws that relate to the maintenance of the security, confidentiality and integrity of all student housing applicant records, including without limitation FERPA. The Concessionaire will cooperate with the Institution in complying with the foregoing.

Section 6.4 Room Assignments.

6.4.1 The Institution shall have the responsibility for making all room assignments for the Project or Projects located on the Campus.

6.4.2 The Institution shall assign Permitted Residents to the Projects on the Campus in the same manner that it assigns Permitted Residents to the Retained Housing on the Campus, if any. The Institution shall not discriminate in favor of any Retained Housing or against any Project in any way in the making of room assignments; provided, however, that the Institution may assign Permitted Residents to certain student housing resources based upon their programmatic needs or taking into account any applicable specialty or affinity groups (e.g., freshmen living areas, living learning communities, housing resources designated to be occupied by athletes, etc.). A list of existing specialty or affinity housing groups is shown on Schedule 6.4.2. A Permitted Resident’s designated housing preferences, as indicated by such Permitted Resident’s housing application, will be the determining factor in housing placement, to the extent feasible and absent special programmatic or other needs. The Institution shall have no obligation whatsoever to provide any preference to a Project in the making of room assignments or any affirmative obligation to ensure certain occupancy levels at any Project.

6.4.3 The Concessionaire agrees that Residents of any Project will be permitted to transfer to and from rooms in any Retained Housing throughout the academic year pursuant to the Institution’s transfer policies. The Institution will process, and will approve or deny, all transfer requests. In the event that a Resident of any Project requests to be transferred to the Retained Housing, the Concessionaire shall permit the Resident to transfer without penalty. Likewise, in the event a resident of Retained Housing requests to be transferred to a Project, the Institution shall permit that resident to transfer without penalty. If a resident of Retained Housing is transferred to a Project during a semester or term, or if a Resident of a Project is transferred to Retained Housing during a semester or term, the housing fee payable to the Institution and the Resident Housing Fee payable to the Concessionaire shall be apportioned based on the number of days such individual occupied the Retained Housing as compared to the number of days such individual occupied the Project. Any Deposit, if applicable, will be
transferred to the Party operating the housing into which the student moves. The right to any Damage Fee shall remain with the Party operating the housing that incurred the damage giving rise to the charge of such Damage Fee.

6.4.4 The Concessionaire and the Institution shall cooperate to satisfy the requirements of the Americans with Disabilities Act, including in the assignment of rooms and the assignment of Residents to the Projects and to the Retained Housing, if any. The Concessionaire agrees to make accommodations requested by the Institution in this regard, including requests for the provision of services or the approval of comfort or service animals.

6.4.5 All provisions of this Section 6.4 shall be subject in all respects to the provisions of Section 5.6 of the Master Concession Agreement.

Section 6.5 Wait List Management.

6.5.1 If the Project or Projects on the Campus are fully occupied, the Institution may establish and maintain a wait list of students seeking housing to maximize occupancy and optimize room assignments. The Institution will, in its sole discretion, but subject to Section 6.4.2, determine how the wait list will be used to fill any rooms that become available. The Institution will manage any moves and consolidations as part of this process that might occur in order to meet programming goals, gender restrictions, behavioral concerns, or ADA accommodations.

6.5.2 The Institution and the Concessionaire shall participate in a coordinated discussion of when capacity is increased temporarily to accommodate housing needs due to demand, acceptable discounted rates, and the Institution’s process for the movement of residents once space becomes available. The Institution will inform the Concessionaire when the wait list is satisfied.

6.5.3 Subject to Institution’s academic and student life policies and goals and the terms of Section 6.4, the Institution and the Concessionaire will collaborate on a priority process for filling vacancies in order that both the Projects and the Retained Housing have at least ninety-five (95%) occupancy and meet specialized programming goals. The occupancy plan and wait list management discussions will include the prioritization and filling of vacancies in relation to the different types of housing, specialized programming, and differing cost factors.

Section 6.6 Room Occupancy.

6.6.1 The Institution shall, in its sole and absolute discretion, set all move-in dates for Residents of any Project on the Campus and shall be responsible for the coordination and implementation of Resident move-in, and the Concessionaire agrees to cooperate with the Institution with respect to the timing and process of all Resident move-ins.

6.6.2 The Institution shall, in its sole and absolute discretion, set all move-out dates for Residents of any Project on the Campus and shall be responsible for the coordination and implementation of housing move-out, and the Concessionaire agrees to cooperate with the Institution with respect to the timing and process of all housing move-outs.
6.6.3 The Concessionaire shall provide maintenance and custodial availability during all Resident move-in and Resident move-out periods, including any periods during which only a portion of Residents are moving in or out, so that remedial issues can be addressed as they arise.

6.6.4 The Institution shall have the right to contest the physical condition of a housing unit and its availability for occupancy. Institution will reasonably determine the habitable condition of housing units no less than five (5) days prior to the start of any term. In the event that the Institution elects to inspect, it shall conduct such inspections (and the Concessionaire shall make any required repairs) in accordance with this Section 6.6.4.

6.6.4.1 The Institution’s employees will perform a multi-point inspection of each unit after it has been cleaned and serviced by necessary custodial and maintenance personnel. Should any unit(s) be determined to be unfit for occupancy, Institution shall provide written notice of the deficiencies to the Concessionaire for rectification.

6.6.4.2 The Concessionaire shall have five (5) days from receipt of notice to cure any deficiencies and notify Institution that the unit is ready for occupancy. Institution may then agree the unit as ready for occupancy, or reject the unit and resubmit it for additional services prior to occupancy.

6.6.4.3 Should a unit remain unfit for occupancy after the start of classes, the Concessionaire shall, at its expense, provide for alternative housing and, if necessary, transportation to and from the Campus, for any Residents displaced by the inhabitability of any unit. The Concessionaire may relocate any displaced Resident temporarily into any vacant unit within the Projects, and Institution, to the extent any units are available in Retained Housing, will cooperate with the Concessionaire to house any displaced Residents if suitable space is available and the Concessionaire shall pay Institution a daily rental based on the semester charge for such housing.

Section 6.7 Duration and Changes of Tenancy.

6.7.1 The occupancy calendar for the 2015 and 2016 academic years is shown on Schedule 6.7.1. Resident Housing Agreements will generally be in effect for a full academic year (consecutive fall and spring semesters) or for an applicable summer term. Based on availability, Resident Housing Agreements may be entered into for units at a Project after the start of any applicable academic year for the duration of that academic year.

6.7.1.1 The Institution shall have the right to offer housing agreement terms other than those described in this Section 6.7.1 with the consent of the Concessionaire, which shall not be unreasonably withheld, conditioned or delayed.

6.7.1.2 No Resident Housing Agreement shall be for a twelve (12) month term unless specifically approved by the Institution and the Concessionaire.

6.7.2 Only the BOR may establish live-on requirements for major cohort groups of students (e.g., first-year students, all students outside a certain geographic location, etc.) in accordance with the Institution’s and the BOR’s policies. The enforcement of these
requirements will be the responsibility of the Institution, and the BOR shall have the sole and absolute right to determine, institute, waive or cancel any residency requirement for major cohort of students, although the Institution shall have the right to waive the requirement for individual students based on hardship or other reason within the guidelines of BOR policy. The Institution may establish additional live-on requirements for minor cohort groups of students not otherwise affected by BOR established live-on requirements (e.g., athletes from certain teams, students in specified academic programs, etc.) in accordance with the Institution’s policies so long as such policies are not in contravention of BOR policies, and either the BOR or the Institution shall have the right to determine, institute, waive or cancel any residency requirement for any minor cohort of students. Any current live-on requirements in place at the Institution, whether established by the BOR or the Institution, are set forth on Schedule 6.7.2.

6.7.3 The Institution will coordinate with the Concessionaire to establish occupancy terms for academic year agreements for special populations including but not limited to residence life staff, athletes, graduate students, and international students during extended breaks. It is expected that Residents with an academic year agreement, and excepting those with twelve (12) month housing agreements, will vacate the applicable Project during inter-semester breaks; however, Residents may be provided the opportunity to reside in a Project during Institution break periods, and the Concessionaire shall be free to require an additional charge for these periods. Such additional charges shall be determined by agreement of the Concessionaire and the Institution, but the current intention of the BOR and the Concessionaire is that the charge for such use shall be generally determined at a daily rate based on the term Housing Fee during the semester immediately preceding the break period. The Concessionaire, with the Institution’s approval, shall have the option to consolidate inter-semester residents into particular buildings for efficiency.

6.7.4 At the Institution’s discretion, current Residents may be provided the first opportunity to renew their housing agreements on a yearly basis provided they meet the eligibility requirements for campus housing (e.g., good academic standing and enrollment in minimum course load), and housing is available based on program needs, residency requirements, if any, and Institutional policies favoring specific student cohorts.

Section 6.8 Resident Housing Agreement Termination.

6.8.1 The Concessionaire shall not terminate any Resident Housing Agreement other than in accordance with the terms thereof or as directed by the Institution in accordance with the provisions of this Section 6.8. If the Concessionaire elects to terminate any Resident Housing Agreement with a Resident of a Project on the Campus for any reason whatsoever, the Concessionaire shall give the Institution notice of its intent to terminate such Resident Housing Agreement at least ten (10) days prior to such termination.

6.8.2 Notwithstanding the express terms of any Resident Housing Agreement, any Resident Housing Agreement may be terminated by the Resident party thereto upon the following terms and conditions:

(a) If the Resident becomes legally married, becomes pregnant or is called to active military duty, the Resident Housing Agreement may be cancelled with no penalty
or further payment required, and any unused Resident Housing Fees paid will be refunded on a pro rata basis based on the number of days of occupancy.

(b) If a Resident is subject to an Institution-initiated withdrawal due to health and/or safety reasons, or is engaging in an Institution-sponsored or -affiliated academic internship or study abroad experience, such Resident’s Resident Housing Agreement shall be cancellable with no penalty or further payment required.

(c) If a Resident is no longer in good academic standing or has withdrawn for academic reasons, such Resident’s Resident Housing Agreement may be cancelled as of the end of the semester in which such Resident becomes ineligible upon payment by such Resident of a Resident Housing Agreement Termination Fee in accordance with the terms of such Resident’s Resident Housing Agreement.

6.8.3 The Institution shall have the right to cause the Concessionaire to terminate a Resident Housing Agreement upon the following terms and conditions:

(a) If at any time a Resident violates the Institution’s housing or residence life rules or conduct policies, the Institution shall have the right to cause the Concessionaire to terminate such Resident’s Resident Housing Agreement upon notice to such Resident. In such event, the Concessionaire shall require such individual to vacate the Project pursuant to Section 6.9. Notwithstanding any termination pursuant to this Section 6.8.3(a), such Resident will remain liable for all payment obligations under such Resident Housing Agreement.

(b) If at any time an individual residing at any Project fails to be a Permitted Resident, the Institution shall have the right to cause the Concessionaire to terminate such individuals’ Resident Housing Agreement upon notice to such individual. In such event, the Concessionaire shall require such individual to vacate the Project pursuant to Section 6.9. However, the Institution, at its reasonable discretion, shall have the right to allow such individual who is no longer a Permitted Resident to continue his or her occupancy at the Project through the remainder of the term of the then-effective Resident Housing Agreement, provided that such person is otherwise in compliance with his or her Resident Housing Agreement. Notwithstanding any termination pursuant to this Section 6.8.3(b), such individual who is no longer a Permitted Resident will remain liable for all payment obligations under his or her Resident Housing Agreement.

6.8.4 The Institution shall have the right to cause the Concessionaire to cancel, without penalty to the Institution or the applicable Resident, up to one percent (1%) of all Resident Housing Agreements that are entered into for a given semester or term for personal and/or other extenuating circumstances affecting the applicable Resident that do not qualify as health and/or safety reasons under Section 6.8.2(b). The Institution shall have the right to determine in its sole and absolute discretion which Resident Housing Agreements, if any, that it will cause the Concessionaire to cancel pursuant to this Section 6.8.4, subject to the one percent (1%) cap set forth in the preceding sentence. Subject to all Applicable Law, including without limitation FERPA, the Institution shall provide the Concessionaire with a statement of the reasons for any such cancellation and shall review all such statements with the Concessionaire on an annual basis.
6.8.5 The Institution shall maintain records of cancellation under Sections 6.8.2 and 6.8.3 and will review these cancellations with the Concessionaire at least once each year. The Institution may withhold such information as it deems necessary to ensure the privacy of any current or former Resident when presenting to the Concessionaire information about cancellations of Resident Housing Agreements.

Section 6.9 Eviction Process. The Concessionaire shall be responsible for any eviction of a Resident from a Project on the Campus that follows the termination of a Resident Housing Agreement, whether such termination is effected pursuant to the terms of such Resident Housing Agreement, pursuant to Section 6.8.3 above or otherwise. The Concessionaire shall give the Institution notice of its intent to evict any Resident or other individual residing at a Project on the Campus at least ten (10) days prior to the commencement of eviction proceedings. Provision of notice pursuant to Section 6.8.1 above shall satisfy the Concessionaire’s obligations under this Section 6.9, provided that such notice expressly states that eviction proceedings will be commenced following the termination of which notice is being provided.

ARTICLE VII.

RESIDENCE LIFE

Section 7.1 Residence Life Functions and Expenses. The Institution will manage and provide resident life programming for Residents in a manner determined from time to time by the Institution in its sole and absolute discretion, provided that the Institution agrees to provide residence life programming at the Projects that is similar in nature and in scope to the residence life programming provided by the Institution any Retained Housing, if applicable. The Institution may, in its sole and absolute discretion, provide different programming and residence life functions for the specialty and affinity groups identified on Schedule 6.4.2. The Institution shall have the right to charge Residents a student life fee, which shall not be part of the Gross Fees. The Concessionaire will have no interest in any student life fees.

Section 7.2 Residence Life Facilities. The Concessionaire agrees that (a) all Residence Life Facilities at any Project as of the Effective Date and (b) all Residence Life Facilities to be constructed pursuant to the terms of a New Housing Lease, following the completion of their construction, shall remain and be maintained for use by the Residents and the Institution’s residence life staff. The Concessionaire shall not alter the use or layout of any Residence Life Facilities without the prior written consent of the Institution. The Concessionaire shall at all times maintain all Residence Life Facilities in accordance with Section 5.1.2 of the Master Concession Agreement and Article IX of this Agreement, unless directed otherwise in writing by the BOR or the Institution. The Institution shall in its sole and absolute discretion determine the use of the Residence Life Facilities on the Campus and may change such use at any time provided that the use continues to be for the benefit of the Residents of the applicable Project.

Section 7.3 Residence Life Administration Facilities. The Concessionaire agrees to rent to the BOR the Residence Life Administration Facilities at the annual rents shown on Schedule 7.3. Such rentals shall be for a term equal to the duration of the applicable Fiscal Year and shall be renewable for the following Fiscal Year at the option of the BOR. The
Concessionaire shall maintain the Residence Life Administration Facilities in accordance with Section 5.1.2 of the Master Concession Agreement and Article IX of this Agreement, unless directed otherwise in writing by the BOR. The Institution shall in its sole and absolute discretion determine the use of the Residence Life Administration Facilities on the Campus.

**Section 7.4  Residence Life Cooperation.** The Concessionaire shall take all actions necessary to accommodate the Institution’s provision of residence life services to Residents. The Concessionaire shall designate a representative to attend and participate in regular meetings with the Institution’s residence life personnel.

**Section 7.5  Residence Life Rules.** The Institution will provide for student conduct officers and will enforce residential living and campus policies at the Projects in accordance with published Institution policies. Violation of the Institution’s student policies may result in termination of a Resident Housing Agreement and removal of a Resident from a Project in accordance with the terms of Section 6.8.3(a). These policies will be included in published residential living manuals and Institution Codes of Student Conduct. These manuals will be referred to in each Resident Housing Agreement. The Concessionaire agrees that in the event of any conflict between rules and policies promulgated by the Institution and the rules or policies of the Concessionaire, the Institution’s rules shall govern. The Institution’s current handbook governing residence life rules and regulations is attached as Schedule 7.5, and may be amended by the Institution at any time.

**Section 7.6  Residence Life Amenities.** Notwithstanding the foregoing, any existing revenue generating residence life amenities (including, without limitation, laundry facilities, pay phones and vending machines) at any Project will become the responsibility of the Concessionaire unless expressly provided otherwise in this Agreement, provided that the Concessionaire shall comply in all respects with any campus-wide agreements in place at the Institution for the provision of services or equipment related to any revenue generating residence life amenities. All revenue generating residence life amenities currently provided at the Existing Housing Projects are listed on Schedule 7.6. All campus-wide agreements in place at the Institution for the provision of services or equipment related to any revenue generating residence life amenities are also listed on Schedule 7.6.

**Section 7.7  Confidentiality.** The Concessionaire acknowledges that the Institution is required by Applicable Law to maintain and keep confidential any Residents’ conduct files. The Concessionaire will not be permitted access such files. The Institution will report to the Concessionaire student registry information and occupancy records, but only to the extent permitted by Applicable Law.
ARTICLE VIII.

FACILITY MANAGEMENT

Section 8.1 General Conditions.

8.1.1 The Concessionaire shall at all times maintain the Projects in accordance with Article IX.

8.1.2 Subject to the provisions of Section 5.1 of the Master Concession Agreement, the Concessionaire may hire a third party, including an entity that Controls, is Controlled by or is under common Control with the Concessionaire, to provide any service that this Agreement requires the Concessionaire to provide, provided that the Institution approves such third party in writing, such approval not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the hiring of any management agent responsible for the overall management of any Project or combination of Projects shall be subject to the prior written approval of the BOR, to be granted or withheld in the BOR’s sole and absolute discretion.

8.1.3 Any contract entered into pursuant to Section 8.1.2 may have a term of not greater than five (5) years and must contain performance provisions allowing the contract to be terminated by the Concessionaire upon no more than thirty (30) days’ notice in the event of unsatisfactory performance on the part of the contractor.

8.1.4 Any fees paid under a contract entered into pursuant to Section 8.1.2 between the Concessionaire and an entity that Controls, is Controlled by or is under common Control with the Concessionaire (a) shall be subject to the prior written approval of the BOR, such approval not to be unreasonably withheld, conditioned or delayed and (b) shall in no event be greater than _____ percent (___%) of Gross Revenues, which shall include a base management fee of no more than ___% plus an incentive based management fee of no more than _____ percent (___%), as adjusted pursuant to this Agreement.

Section 8.2 Staffing.

8.2.1 The Concessionaire shall staff the Projects with appropriately trained and experienced management and maintenance staff to operate the Projects properly, recognizing the unique nature of higher education housing that demands personnel who are student-friendly, approachable, collaborative, and work well with others. The list of the Concessionaire’s initial on-site staff and their responsibilities are shown on Schedule 8.2.1. For the purposes of this Agreement, “on-site” personnel shall include those personnel with responsibilities for management or maintenance which may not be quartered on site but spend a majority of their time at one or more Phase I Projects. The Concessionaire shall notify the Institution and the BOR of any changes of on-site staffing in a timely manner.

8.2.2 The Concessionaire shall, at a minimum, provide personnel which includes an experienced manager responsible for the overall performance of each Project, including operations, budgeting, marketing, and customer service; and an experienced maintenance supervisor with general knowledge of HVAC, plumbing, electrical and life safety
systems. The Concessionaire, with the consent of the BOR (which will not be unreasonably withheld), may assign more than one project to any given manager and maintenance supervisor and allocate the expense equitably between the projects.

8.2.3 The Concessionaire shall perform a background check, which includes a criminal background check in all states, on all on-site personnel prior to assignment to any Project and shall provide the results of such background check to the Institution. The Institution shall have the right to decline the appointment of any person based upon the results of the background check, upon written notice to the Concessionaire stating the reasons for such action. The Institution shall have the right to perform, or cause to be performed, at the Institution’s expense an independent background check on all on-site personnel either prior to the applicable individual’s assignment to any Project or at any time during the course of such individual’s assignment to any Project. The Institution shall have the right to prohibit the appointment of such individual to, or require the removal of such individual from, any Project based on the results of such independent background check or the refusal of such individual to consent to the performance of the background check. The Concessionaire shall cause its employees and agents to provide to the Institution any information necessary for the performance of such independent background check.

8.2.4 The Concessionaire agrees to abide by all Applicable Laws relating to employment, including but not limited to those relating to the employment of non-citizens. The Concessionaire agrees to comply with, and to cause all of its subcontractors to comply with, the provisions of the Georgia Security and Compliance Act (O.C.G.A. § 13-10-90 et seq.) and to sign and comply with, and to cause all its subcontractors to sign and comply with, the Immigration and Security Affidavit attached to the Master Concession Agreement as Exhibit D.

8.2.5 The Concessionaire shall implement an ongoing training program and/or certification program for all on-site personnel assigned to the Projects, which program shall be detailed to the BOR as part of an annual review report in October of each year. Upon request of the Institution or the BOR, the Concessionaire shall provide a report detailing the training and/or certifications undertaken by each on-site staff member. The Concessionaire shall require all on-site personnel to attend the Institution’s employee orientation program and complete the Institution’s annual staff compliance training.

8.2.6 If the BOR or the Institution shall have reason to believe that an on-site staff member of the Concessionaire is not performing to the expectation of the Institution, either the BOR or the Institution shall provide written notice to the Concessionaire explaining why its expectations are not being met. The Concessionaire shall take appropriate corrective action including, but not limited to, training and counseling or shall terminate the named staff member to correct the performance and notify the Institution of actions taken. Any corrective action must be taken within thirty (30) days after the Concessionaire’s receipt of notice from the BOR or the Institution, as applicable. Upon the third (3rd) time that the BOR or the Institution gives the Concessionaire notice under this Section 8.2.6 that relates to the same staff member, the Concessionaire shall terminate such staff member’s assignment to the applicable Project or Institution. The Concessionaire may request that such staff member be reassigned to another Project or Institution, but the BOR shall determine whether to grant or deny such request in its sole and absolute discretion. In the event of actual or threatened physical harm or sexual
harassment by an employee or contractor of the Concessionaire, either the Institution or the BOR may require the immediate removal of such individual from the applicable Project or Institution and may prohibit the Concessionaire from assigning such individual to any other Project or Institution.

Section 8.3 Staffing of Campus Management Offices. The Concessionaire shall maintain Campus Management Offices for the Projects in accordance with Section 3.2. The Concessionaire agrees to staff this office from at least 8:00 am to 6:00 pm each weekday of each year that this Agreement is in effect, with the exception of Christmas holidays.

Section 8.4 Parking. Residents shall have the right to use all on-campus parking lots and garages (“Parking Facilities” and each individually, a “Parking Facility”) on the same basis as residents of any Retained Housing at the Institution, if applicable. If the Institution requires a parking permit, Residents will have the same eligibility for such permits as other students. The Concessionaire acknowledges that the Institution does not provide and will not be required to provide guaranteed or dedicated parking to Residents. The Institution, at its option, shall have the right to assign Residents to any specific Parking Facility or Parking Facilities, provided that the Institution agrees not to discriminate against Residents or in favor of residents of Retained Housing in the assignment of either to any Parking Facility. The Institution shall be allowed to assign Residents to any Parking Facility on the Campus and shall have no obligation to take any Parking Facility’s proximity to any Project into account in assigning Residents of such Project to such Parking Facility.

8.4.1 Should any Project include any Parking Facility, the Concessionaire agrees to provide, maintain and replace sufficient security lighting and video camera equipment as is necessary for the safety and security of the Institution’s students and employees. The Concessionaire will manage any such Parking Facility in accordance with the provisions Section 8.1 and this Section 8.4 and will maintain any such Parking Facility in accordance with the provisions of Section 9.1. The Institution’s parking enforcement personnel will have unrestricted access to any Parking Facilities on the Premises to conduct regular parking enforcement and management functions.

8.4.2 The Concessionaire shall provide access to the Premises to personnel and contractors of the Institution for the purpose of maintaining, repairing, relocating or removing any security call boxes which currently exist or may be placed at any Parking Facility on the Premises, including any access required to dig for any conduit access to allow placement of a security call box at another location. The Concessionaire agrees not to remove or disable any security call box on the Premises without the prior written approval of the Institution. The Institution shall have the right to relocate any security call box on the Premises with the Concessionaire’s consent, which shall not be unreasonably withheld, conditioned or delayed.

Section 8.5 Information Technology.

8.5.1 The Concessionaire shall provide information technology services to the Residents as determined by the Concessionaire, and shall, where possible and with the Institution’s reasonable cooperation, connect to the Institution’s information technology infrastructure. Nothing herein shall require the Institution to implement or extend existing
information technology connections to the Projects. The Concessionaire shall be responsible for costs associated with the cable, fiber, and internet facilities, headend equipment, and distribution services required to provide information technology services to the Projects.

8.5.2 Where the Institution’s information technology infrastructure extends to any Project, the Institution shall, upon the Concessionaire’s request, provide internet bandwidth to such Project comparable to internet bandwidth provided elsewhere on the Campus, and the Concessionaire shall reimburse the Institution the reasonable allocated cost of providing such bandwidth.

8.5.3 The Concessionaire agrees to upgrade and maintain the internet access capability and other information technologies at each Project to a standard at least as high as provided by the Institution to other buildings on the Campus.

8.5.4 The Institution, at its own expense, shall be responsible for providing all information technology support services to the Residence Life Administration Facilities’ spaces from the wall plate out into the Residence Life Administration Facilities, and shall pay the Concessionaire a reasonable allocation of the Concessionaire’s expenses in providing cable, fiber and internet connectivity.

8.5.5 The Institution’s information technology department and the Concessionaire shall cooperate to develop procedures to provide an environment for technical support of the internet to the Projects. The Concessionaire shall provide technical support for the Projects at its sole cost and expense.

Section 8.6 Budgeting and Reporting. By April of each year, the Concessionaire shall have prepared a budget for the upcoming Fiscal Year, which shall delineate by line item the projected occupancy, revenues, operating expenses and capital expenses associated with the Projects, in a form substantially as shown on Schedule 8.6. Each such budget shall specify capital repairs to be undertaken in the upcoming Fiscal Year. The budget shall be presented to the BOR and the Phase I Institutions at the Management Review Committee meetings held in April, along with a long-term cash flow projection and identification of potential lagging assets. Commencing with the 2016-2017 Fiscal Year, the Concessionaire shall provide five (5) year projections each year integrating anticipated rental income, maintenance costs and projected capital improvements.

Section 8.7 Personnel Evaluations and Key Performance Indicators.

8.7.1 Annually, the Concessionaire and the Institution shall perform the following performance reviews:

(a) Personnel Evaluations. At least once each year, the Concessionaire, with input from the Institution’s personnel, shall evaluate the performance of each on-site Concessionaire staff member, and the results of such evaluation shall be shared with the Institution and the BOR.

(b) Resident Satisfaction Surveys. At least once each year, the Institution shall solicit satisfaction surveys from Residents on the Campus and share the results.
of such surveys with the Concessionaire. Any areas of noted deficiency or complaint shall be rectified by the Concessionaire and the plan for such rectification shall be provided to the Institution for its prior written approval. The results of the satisfaction surveys shall be benchmarked and shall constitute a Key Performance Indicator.

(c) **Project Inspection Evaluations.** No less than annually, the BOR, at its expense, shall engage an independent third party facility condition inspection firm which shall evaluate the condition of the Projects in accordance with the form attached as Schedule 8.7.1(c). The evaluation shall be distributed to the Concessionaire, the Institution and the BOR for use in determining the Concessionaire’s compliance with the facility maintenance standards set forth in Article IX of this Agreement, and as a Key Performance Indicator.

(d) **Work Order Benchmark Achievement.** No less than semi-annually, the Institution, the BOR and the Concessionaire shall review the performance of Concessionaire in responding to work order requests submitted through the Concessionaire’s work order system described in Section 9.3, with the results compared to the benchmark response times set forth in Section 9.4, and used as a Key Performance Indicator.

(e) **Occupancy Rate Benchmark Achievement.** At each Annual MRC Meeting, the Concessionaire shall provide occupancy rate information for both fall and spring semesters of the preceding Fiscal Year for the Projects, with the Occupancy Rate to be used as a Key Performance Indicator. For the purposes of this provision, the “Occupancy Rate” shall be equal to (i) the number of beds at the Projects occupied for each semester, including any beds that were occupied pursuant to Resident Housing Agreements that were terminated during such semester in accordance with Section 6.8, divided by (ii) the number of beds available at the Projects during such semester. Beds occupied by residence life personnel, such as Resident Advisors, Hall Directors, and similar users, shall be included in the calculation of occupied beds.

8.7.2 The Key Performance Indicators described above will be used to determine, among other things, whether the Base Rent Percentage shall be adjusted pursuant to Section 12.1. The BOR may, in its sole and absolute discretion, determine not to conduct any of the evaluations described in this Section 8.7 for any year. In such case, there shall be no adjustment to Base Rent for that year.

ARTICLE IX.

FACILITIES MAINTENANCE

Section 9.1 **Standard of Care.** The Concessionaire shall maintain the Projects at or above the Association of Physical Plant Administrators (“APPA”) Facilities Maintenance Performance Indicators established Level 2 standard as shown on Schedule 9.1.

9.1.1 On a monthly basis, representatives of the Institution and the Concessionaire will conduct a walk-through to assess the upkeep of the facility and quality of the maintenance program. Recommendations for improvement will be documented and tracked through the work order system.
9.1.2 Maintenance performance indicators will be used to assess the maintenance program through the inspection report scores, response times, and work order system data. The Concessionaire shall develop a continuous improvement plan based on the outcomes from the assessment of the Key Performance Indicators.

Section 9.2 Staffing. Facilities maintenance may be managed in-house by the Concessionaire, by a third party vendor engaged by the Concessionaire, by the Institution pursuant to an agreement between the Concessionaire and the Institution or any combination of these methods. Contracting with the Institution for any service will not relieve the Concessionaire of responsibility for the timely and adequate provision of needed services to the Projects. The Concessionaire will identify a qualified maintenance supervisor, who may, but need not, be an employee of the Concessionaire. Such qualified maintenance supervisor will be the main point of contact for the Institution for facilities maintenance matters and will supervise the work of the maintenance staff, technical staff, and various service contract companies.

9.2.1 Maintenance supervisors, custodians, building mechanics and specialized trade personnel qualifications will, at a minimum, reflect the position description and the minimum standard of qualifications requirements used in the BOR for similar positions.

9.2.2 The Concessionaire shall perform a background check, which includes a criminal background check in all states, on all maintenance personnel prior to assignment to any Project and shall provide the results of such background check to the Institution. The Institution shall have the right to decline the appointment of any individual based upon the results of the background check, upon written notice to the Concessionaire stating the reasons for such action. The Institution shall have the right to perform, or cause to be performed, at the Institution’s expense an independent background check on all maintenance personnel either prior to the applicable individual’s assignment to any Project or at any time during the course of such individual’s assignment to any Project. The Institution shall have the right to prohibit the appointment of such individual to, or require the removal of such individual from, any Project based on the results of such independent background check. The Concessionaire shall cause its employees and agents to provide to the Institution any information necessary for the performance of such independent background check.

9.2.3 In the event the Concessionaire’s personnel are required to enter a Resident’s room for maintenance or other purposes, at least two (2) such personnel members (one (1) of whom may be the maintenance personnel doing the work) shall be required to be present during the time such staff are present in the room.

9.2.4 The Concessionaire shall provide maintenance service to the Projects at the following days and time:

(a) The Concessionaire’s Maintenance Supervisor, or their qualified designee and maintenance staffs, will be accessible in person from 6:00 a.m. to 6:00 p.m. daily.

(b) Afterhours and weekends, the Concessionaire shall provide a reduced crew to handle custodial duties and necessary maintenance, and shall provide such coverage plan to the Institution.
A qualified On-Call Emergency designee must be accessible by phone and e-mail or via on-line notification seven (7) days a week, twenty-four (24) hours a day for maintenance emergencies and other critical issues. The Concessionaire shall establish an emergency on-call maintenance support team and/or a network of subcontractors as necessary that will be able to assist in an emergency regardless of the nature of the emergency. This team will respond, assess, utilize resources and take appropriate action to minimize the impact and burden upon residential students.

Section 9.3 Work Order Management. The Concessionaire shall track and document work orders using a software program (or the Institution’s existing program) to manage work orders. Work orders will be categorized as emergency, urgent, expedited and routine as outlined below and responded to accordingly. Information gathered through the use of the work order program will be used to assist in monitoring and maintaining the facility, and the work order program will assist in tracking preventative maintenance and annual inspections to determine the condition of the facility. The work order program shall have an online user interface that will allow online submission of requests by Residents and Residence Life staff, provide notifications of work orders to Institution staff, and provide access to status reports and dashboards by the Institution. The work order systems should generate annual, six (6) month, three (3) month, monthly, weekly and daily work orders. The length of time between certain scheduled or routine work orders will depend on manufacturer recommendations, if applicable. All work must be performed in compliance with established Institution policies to ensure the safety of faculty, staff, students, and visitors.

Section 9.4 Priority Codes for Service Calls. Priority codes are to be assigned to each type of service and are used to schedule all service requests. The priority of the request can be viewed on the Service Request form.

9.4.1 Priority-1: Emergency. Fire, health and safety item that demands immediate response to protect and save property and lives. Requests are dispatched immediately. There is an immediate response and measures are immediately taken to alleviate the situation, but not necessarily a permanent repair. Excluding extraordinary circumstances, the Concessionaire, or its authorized contractor, will respond immediately and will be on the job site working within one (1) hour after receipt of an Emergency service call. The Concessionaire, or its authorized contractor, will work continuously and will alleviate the Emergency condition before departing the job site, but no later than twenty-four (24) hours after the work order request was submitted. Will assign a due date of the same day the service request is approved and work order is created. In emergency situations, the Institution may provide services as a first responder to protect life and property, and the Concessionaire will pay reasonable costs incurred by the Institution and, without limiting any provision of Article X of the Master Concession Agreement, hold the Institution harmless for all acts taken in good faith. Emergency calls include but are not limited to:

(a) Fire alarm

(b) Electrical sparks, smoke

(c) Downed electrical line
(d) Electrical outage
(e) Broken steam, water or gas line
(f) Toilet overflowing
(g) Person trapped in elevator
(h) Storm water flooding into a building
(i) Sewage backing up in a building
(j) Broken, gushing, or misdirected irrigation device or sprinkler head
(k) Non-functioning HVAC system
(l) Gas leak or smell of Gas
(m) Ice formations hanging from a roof
(n) Inoperable lock where a space cannot be secured
(o) Discharge of fire suppression system

9.4.2 Priority-2: Urgent. Urgent situations pose a threat of personal injury, equipment damage, or a serious disruption of Institution operations. Requests are dispatched as soon as possible or practical and technicians should respond within the same shift. Urgent work orders should be completed within eight (8) hours to alleviate the situation before injury occurs, equipment or property is damaged, or the condition worsens. Urgent calls include but are not limited to:

(a) Broken glass and/or door
(b) HVAC temperature adjustment (i.e. Hot/cold Calls)
(c) Toilet/urinal running constantly
(d) Loss of refrigerated storage space
(e) Toilet stopped up
(f) Non-emergency elevator repair
(g) ADA compliance issue, e.g. inoperative door opener, obstructed route
(h) Inoperative switch, outlet or light (where there is insufficient lighting)
(i) Piping or roof leak
(j) Clogged sink/toilet/shower/tub
(k) Loss of hot water or cold water in any portion of a Project
(l) Pest control that poses a harmful, unsafe condition
(m) Mold that poses a harmful, unsafe condition
(n) Fire alarm trouble
(o) Repair to security and access control equipment and systems
(p) Snow/ice removal

9.4.3 Priority – 3: Expedited. Work that does not fit the definition of urgent work but needs to be accomplished in an expedited time frame. Takes priority over routine work orders. Such work may be high profile in nature. An expedited work order should be completed within twenty-four (24) hours. Expedited calls include but are not limited to:

(a) Fire Marshal or code compliance corrective action. Item that needs to be corrected as soon as possible to remedy fire marshal inspection discrepancies, code inspector or safety findings, etc.
(b) A condition that reflects poorly on the Institution
(c) Graffiti removal
(d) Essential common area indoor lighting
(e) Outdoor lighting outage occurring as a result of a malfunction at the Project.

9.4.4 Priority-4: Routine Type I. Maintenance or service item that does not pose an immediate risk to facilities, systems, equipment or components and can be handled on a routine planned and scheduled basis. Advance coordination with the applicable Resident is typically required to allow scheduling of personnel and receipt of materials. This work order should be completed within five (5) Business Days. Routine Type I calls include but are not limited to:

(a) Cracked glass replacement
(b) Broken furniture
(c) Key request
(d) Inoperative switch/outlet/light (where there is sufficient lighting)
9.4.5 Priority-5: Routine Type II. Maintenance or service item that does not pose an immediate risk to facilities, systems, equipment or components and can be handled on a routine planned and scheduled basis. Advance coordination with the applicable Resident is typically required to allow scheduling of personnel and receipt of materials. Response is typically greater than five (5) days. The Concessionaire will assign a due date of no more than forty (40) calendar days unless a specific date is requested in the service request. Specific dates should be at least seven (7) calendar days after the submittal of the service request. For specific date requests, the supervisor shall review the date requested and confirm with the customer that it is possible to provide the service on that day. Routine Type II calls include but are not limited to:

(a) Painting
(b) Floor refinishing
(c) Set-up for certain special event
(d) Unit-turn service
(e) Changing light bulb (where adequate lighting exists)
(f) Preventive maintenance
(g) Hanging banner
(h) Minor project
(i) Furniture move

Section 9.5 Inventory. The Concessionaire shall be responsible for keeping all necessary inventory on hand or accessible and is responsible for securing the location of such inventory. The Institution is not responsible for storing inventory unless otherwise agreed by the Institution and the Concessionaire.

Section 9.6 Service Notifications. The Concessionaire’s employees and agents will be required to leave a door hanger (or some other form of notification) at unit to notify Residents that they entered the unit to perform work. The Concessionaire’s notification will let the Resident know if the issue is repaired or if the Concessionaire is waiting on parts to repair the reported concern. The Concessionaire shall only enter units for service calls, emergencies, or scheduled inspections and will use a master key check-out system to gain entry. The Concessionaire will be assigned key access to master key box.

Section 9.7 Key and Access Cards. The Concessionaire shall be responsible for the installation, maintenance, and replacement of lock mechanisms at the Projects, however, master keys, access cards, and student keys shall be the responsibility of the Institution. The Institution shall designate a staff member to securely control keys to each unit and provide access to others.
accountable for the facility’s management. Residents are not permitted to change or add locks. During normal business hours, a Resident who is locked out of his or her unit shall notify the residence life staff on-call in order to gain entry to the unit. Upon providing proper identification, the Resident will be provided access to his or her unit, provided that he or she has been verified as an authorized occupant of the unit. In the event a Resident is locked out of a unit, the residence life staff on-duty shall provide assistance. Staff on duty will respond and confirm the Resident’s identity and authorized occupant status. Once confirmed, the Resident will be given access to their unit. If proper identification cannot be provided, the resident and staff may use alternative means to determine the Resident’s identity. Any Resident who loses his or her keys will be charged a replacement fee (which shall be payable to the Institution for its own account and shall not constitute a component of Gross Fees) during routine maintenance working hours and for lockouts occurring after hours. Without limiting any provision of Article X of the Master Concession Agreement, the Concessionaire shall hold the Institution harmless for the consequences of all acts taken in good faith to provide resident lock out services.

Section 9.8 Inspections and Unit Turn. On no less often than a monthly basis during occupied periods, the Concessionaire shall complete a health and safety check on the Projects to address issues of cleanliness and safety. The Concessionaire shall provide full-service maintenance at semester turnover and change of occupant to ensure and maintain a high standard of unit readiness. The Concessionaire’s maintenance team will make certain that all damaged and inoperable components are repaired and in good working order and that units are in proper condition for each new Resident. Unit maintenance is to clean, repair and or replace furniture, and all appliances; clean floors as appropriate (i.e., tile, carpet etc.); paint as scheduled or to address incidents associated with damages. A unit is considered ready for occupancy when all maintenance, cleaning, safety and security standards have been addressed. The unit turn should include painting, deep cleaning, inspection for mold/mildew, and bed bugs. Treatment for roaches and other pests should occur at summer and winter break and during designated shut-down periods. During occupied periods, health and safety checks should be completed on a monthly basis to address potential issues of cleanliness and safety.

Section 9.9 Refuse Collection; Bulk Trash Collection; Recycling. Refuse and recycling collections will be done as determined by the Concessionaire at the Concessionaire’s sole expense and may be conducted through third party vendors. The Concessionaire shall adjust the frequency of pick-up in accordance to needs and the industry best practices, and shall at no time allow trash or refuse to exceed the capacity of available bins. Should such accumulation exceed the bins, the Institution shall promptly notify the Concessionaire, which shall arrange for immediate pick-up or reimburse the Institution for the costs thereof.

Section 9.10 Pest Control. The Concessionaire shall be responsible for a comprehensive pest control, bed bug, and termite treatment program, which shall include a close inspection for pests and bed bugs at unit turn. Treatment for pests should occur at summer and winter break and during designated shut-down period. The Concessionaire shall procure a termite bond which shall remain in place and inspections and treatments shall be annual. The Concessionaire shall respond to individual pest complaints, including bed bug complaints, immediately, and treatment plans are to be established in conjunction with the Institution’s health and safety procedures for exterminating bed bugs.
Section 9.11  Fire Safety. Fire and life safety systems shall be monitored at all times by a central monitoring station in accordance with NFPA Publication 101, or any successor publication thereto, Chapter 28 or 29 as applicable. The Concessionaire will conduct annual inspections of all fire safety alarm communication systems, smoke detectors, fire extinguishers, fire suppressors, fire sprinklers, and stairwell pressurizations systems or as frequent as required by fire and safety inspections codes, including but not limited to NFPA Publication 72 or any successor publication thereto. The results of all inspections shall be reported to the Institution along with a corrective action plan for any noted deficiencies. A finding by the State Fire Marshall of unsafe conditions at any Project after written notification and adequate cure period shall be considered an Event of Default. The Institution shall have the right to perform life safety inspections in the Project, and the results of such inspections shall be reported to Concessionaire to be incorporated into any necessary corrective action plans.

Section 9.12  Elevator Maintenance. The Concessionaire shall enter into a third party contract for the full maintenance of the elevators at the Projects. The Concessionaire agrees that such maintenance shall include, but not be limited to, regular and systematic maintenance of the equipment, inspections, overtime call backs, and trouble calls. The Concessionaire further agrees that such maintenance contract will (i) require the third party elevator maintenance to have a technician on-call during the times designated for move-in and move-out by the Institution and (ii) adhere to all state fire and elevator inspector policies and regulations.

ARTICLE X.

SECURITY

Section 10.1  Law Enforcement and Security Services.

10.1.1 Jurisdiction. The Concessionaire acknowledges that in accordance with O.C.G.A. § 20-3-73, the Institution law enforcement agency has the power to make arrests for offenses committed upon any property under the jurisdiction of the BOR, which includes the Projects.

10.1.2 Police Access. The Concessionaire shall provide, and hereby authorizes the Institution and any of the Institution’s personnel to provide, access to the Institution law enforcement agency, including access to the public areas of the Projects at all times and access to areas occupied by Residents when needed to protect the safety or security of life or property, or for other legitimate laws enforcement purposes, such as the execution of court sanctioned search warrants.

10.1.3 Security Services Personnel. The Concessionaire shall provide, and hereby authorizes the Institution and any of the Institution’s personnel to provide, the Institution security services staff access to the public areas of the Projects at all times and access to areas occupied by Residents when needed to protect the safety or security of life or property.

10.1.4 Fire Marshal Access. The Concessionaire shall provide access to the Fire Marshal of the State of Georgia or the local jurisdiction to perform inspections of the Projects as provided under Applicable Law, including but not limited to building fire codes and
the Institution’s fire and life safety regulations or rules and regulations promulgated by the Fire Marshal. The Fire Marshal shall be permitted to (a) perform regular on-site inspections to assure compliance with Applicable Law during regular business hours and (b) observe and participate in routine, pre-announced fire drills conducted at the Projects by the Concessionaire.

**Section 10.2 Security Systems.** The Concessionaire shall, at its sole expense, purchase and install complete Access Control Systems and Video Surveillance Systems, including required customized programming in accordance with the requirements of the Institution. The Concessionaire shall consult with the Institution to determine the type, locations, features, and functions in order to insure the systems are compatible and will integrate with existing systems and facilitate access by the Institution and monitoring of video feeds. The Concessionaire shall be responsible for the repair and maintenance of these systems. The Concessionaire agrees to install and maintain such exterior lighting at the Projects as the Institution’s security personnel reasonably request for the safety and security of the Projects and immediately surrounding area. In the event that the Institution replaces the standard security monitoring and/or alarm systems or software, the Concessionaire shall use good faith efforts to ensure compatibility with the Institution’s systems or software.

**Section 10.3 Reporting.** The Concessionaire shall immediately report suspicious, potential or actual criminal activities, any conditions, circumstances or reports of safety or security threats to the Institution law enforcement agency. The Institution will maintain all records for the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, 20 U.S.C. §1092(f), Title IX of the Civil Rights Act of 1964, Safe Schools Against Violence in Education Act reporting, and other federal and state mandated reporting, and the Concessionaire agrees to cooperate with the Institution accurately to compile and present timely and annual information about incidents that occur at the Institution.

**Section 10.4 Emergency Management.** The Concessionaire shall ensure adherence to the Institution’s emergency action plan. In any emergency situation the Institution shall be responsible for initial response. The Concessionaire shall cooperate with Institution during and after potential disasters to minimize the risk of loss of life or property. The Concessionaire, in collaboration with the Institution, shall develop a continuity of operations plan and provide a copy to the Institution. Such plan will be updated as required and reviewed annually with the Institution personnel and will include, at a minimum and subject to the Institution’s reasonable approval, plans for relocation of Residents for emergency or temporary housing, adequate on-call services to minimize and protect assets from actual or potential damage, and an emergency notification plan for all Concessionaire personnel.

**ARTICLE XI.**

**CAPITAL REPAIR AND REPLACEMENT**

**Section 11.1 Objectives.** The Concessionaire shall demonstrate the ability to fund capital improvements at the Projects necessary to maintain the Projects in a first class condition as stipulated in this Agreement for the duration of the Master Concession Agreement. Capital Renewal and Replacement is a planned investment program that ensures that Projects will function at levels commensurate with the priorities and mission of the Institution. It is defined as
a systematic management process to plan and budget for known cyclic repair and replacement requirements that (i) extend the life and retain usable condition of facilities and systems, (ii) are not normally contained in the annual operating budget, and (iii) includes major building and infrastructure systems and components that have a maintenance cycle in excess of one year.

Section 11.2 Funding of Capital Improvements.

11.2.1 Semi-Annual Amount for Reserve Fund. The Concessionaire shall determine, collect, and escrow Capital Repair and Replacement Funds pursuant to the Master Concession Agreement to create the Capital Repair and Replacement Account. The Capital Repair and Replacement Account shall be a separate escrow account, the status and amount of which account the Concessionaire shall report to the BOR and the Institution no less than semi-annually. The BOR shall have right to audit the account for accurate payments and usage of funds as allowed in this Agreement.

11.2.2 Funding. The Capital Repair and Replacement Account shall be funded fifty percent (50%) of the budgeted amount in October and fifty percent (50%) of the budgeted in March of each fiscal year.

11.2.3 Calculation of Capital Repair and Replacement Account Deposits from the Concessionaire.

11.2.3.1 Fund Deposits. The fund deposits shall accrue in sufficient amount to meet projected repair & replacement cost and provide a contingency fund. The total amount of Capital Repair and Replacement Funds is comprised of the combined, Initial Deposit, plus Projected Costs, plus Contingency Fund.

11.2.3.2 Initial Deposit. The Concessionaire will make an initial deposit into the Capital Repair and Replacement Account as provided in Section 5.4 of the Master Concession Agreement.

11.2.3.3 Projected Costs. Semi-annual Capital Repair and Replacement Account deposits will begin in year one and will accrue to amounts sufficient to meet future needs. A lifecycle repair and replacement schedule shall provide cost projections for each new and existing facility and shall serve as the basis for the semi-annual deposit amounts. Cost shall be increased three percent (3%) annually.

11.2.4 Minimum Balance. The Concessionaire shall maintain a minimum balance in the reserve fund at all times, with a minimum of two percent (2%) of CRV or an amount equal to the Projected Costs plus ten percent (10%), whichever is greater. Should the amount in the reserve fund exceed anticipated needs over five (5) years by twenty-five percent (25%) or greater, annual contributions can be reduced by 50% until the amount is less than one-hundred ten percent (110%) of anticipated needs.

11.2.5 Facility Condition Assessments. Both annual and five (5) year Facility Conditions Assessments (as described in Sections 8.7(c) and 11.4 of this Agreement) shall be used in determining annual and long term budgets and minimum funding calculations.
11.2.6 **Annual Budget.** The annual budget for Capital Repair and Replacement Fund usage will be prepared to determine anticipated expenditures from account as part of annual budgeting process. Any item included in budget shall be deemed approved for funding from capital repair and replacement reserve.

11.2.7 **Funding of Additional Amounts.** If annual budget would result in the Capital Repair and Replacement Funds falling below threshold level as determined in the Master Concession Agreement, the Concessionaire shall fund additional amounts to maintain minimum required reserve.

11.2.8 **Reserve Fund – Non-performance.** Failure to manage the reserve fund responsibly or failure to deposit required funds after written notice from the Institution or the BOR will be an Event of Default.

**Section 11.3 Use of Repair and Replacement Funds.**

11.3.1 Capital Repair and Replacement Funds may be used only for capital and long term replacement items, and only as set forth in this Agreement. For the purposes hereof and as a general guideline, and not as a complete listing, generally accepted capital repair and replacement items, along with their typical useful life, are described in Schedule 11.3.1. Capital Repair and Replacement Funds may only be used for the amounts budgeted in the annual budget as approved by the Concessionaire and the Institution, and for emergency major repairs and replacements as reasonably determined by the Concessionaire. The Concessionaire shall report on emergency uses in the semi-annual status report.

11.3.2 Capital Repair and Replacement Funds shall not be used for routine maintenance items, for example replacement of carpet in a single bedroom or repair of cabinet doors.

11.3.3 The Concessionaire shall reimburse any escrow fund within thirty (30) days if an audit finds inappropriate use of Capital Repair and Replacement Funds.

**Section 11.4 Comprehensive Facility Condition Assessment (FCA).** Every five (5) years, the Concessionaire, at its sole expense, shall commission a comprehensive FCA report to be performed by an independent engineer with significant experience in property conditions assessments. Such FCA report shall contain, at a minimum, the following information:

11.4.1 The Concessionaire, the Institution and the BOR shall agree on a selected firm; if unable to agree each of the Concessionaire and the Institution shall submit three (3) acceptable firms. If a firm appears on both lists, that firm will be the selected firm. If no firm appears on both lists, the Concessionaire and the Institution will each submit another list of three (3) acceptable firms that did not appear on their respective first lists. This process shall be repeated until a selected firm is identified.

11.4.2 The Concessionaire agrees to use the recommendations in the FCA to fund the Capital Reserve and Replacement Account and to schedule capital improvements as deemed necessary by the FCA and reasonably adjusted by the Concessionaire and the Institution.
11.4.3 The Concessionaire shall include in the annual budget and shall plan to perform the recommended major repair items to keep Project facility quality in line with APPA Level 2. Said plan shall be subject to BOR approval, not to be unreasonably withheld.

Section 11.5 Out-Year Development Plan. The Concessionaire shall develop a plan for major reconstruction or rehabilitation and modernization of the Projects if necessary, and shall identify potential funding sources, which may include capital repair and replacement reserve, debt or other funding source. Such Out Year Development Plan shall be updated continually incorporating the results of the comprehensive FCA described in Section 11.4.

ARTICLE XII.

PERFORMANCE BENCHMARKS

Section 12.1 Use of Key Performance Indicators. The Concessionaire and the BOR acknowledge that the ongoing appropriate performance of the Projects as student housing is dependent on the adherence by Concessionaire to the operating, maintenance, and satisfaction standards set forth in this Agreement. The Key Performance Indicators shall be used as follows:

12.1.1 Resident satisfaction surveys shall be structured to allow numerical responses of 1 through 4, with 1 being the highest (or a reasonable description of four (4) gradations of quality, e.g. excellent, good, fair, and poor), plus a Not Applicable or No Opinion option. The benchmark performance shall be an overall rating of no less than 2. Results of all received surveys shall be tallied and averaged. Should the results indicate an overall rating of 3, Institution, at the Concessionaire’s sole expense and not as an operating expense of the Projects, shall commission an additional survey by an independent party to ascertain specific deficiencies and shall provide to the Institution and the BOR a plan for correcting those areas shown as below expectation. The Concessionaire shall have one (1) semester to implement the corrective actions and perform a follow up survey. Continued results below a rating of 2 shall be an Event of Nonperformance.

12.1.1.1 For the first overall rating of 3 or higher, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by one-half of one percent (0.5%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher. For the second or greater overall rating of 3, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by one percent (1%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher.

12.1.1.2 For the first overall rating of 4, the Base Rent Percentage under the Master Concession Agreement for the Projects receiving the sub-acceptable rating shall be increased by three-quarters of one percent (0.75%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher. For the second or greater overall rating of 4, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by one and one-half percent (1.5%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher, and Concessionaire shall replace the management company within sixty (60) days with a management company reasonably
acceptable to the Institution and the BOR; failure to replace the management company or a third overall rating of 4 shall constitute an Event of Default.

12.1.2 Facility inspection evaluations shall be structured to follow the APPA standards shown on Schedule 9.1. The benchmark performance shall be an overall rating of Level 2. Should the results indicate an overall rating of Level 3, the Concessionaire shall within thirty (30) days provide to the Institution and the BOR a plan for correcting those areas shown as below a Level 2 standard. The Concessionaire shall have one (1) semester to implement the corrective actions and perform, at its sole expense, a follow up inspection. Subsequent or continued results of a rating of Level 3 or lower shall constitute an Event of Nonperformance.

12.1.2.1 For the first overall rating of 3, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by three-quarters of one percent (0.75%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher. For the second or greater overall rating of 3, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by one and one-half percent (1.5%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher.

12.1.2.2 For the first overall rating of 4, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by one percent (1.0%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher. For the second or greater overall rating of 4, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by two percent (2%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher, and the Concessionaire shall replace the management company within sixty (60) days with a management company reasonably acceptable to the BOR; failure to replace the management company or a third overall rating of 4 shall constitute an Event of Default.

12.1.2.3 For the first overall rating of 5, the Base Rent Percentage under the Master Concession Agreement for the Project receiving the sub-acceptable rating shall be increased by two and one-half percent (2.5%) of Gross Revenues until a follow up survey indicates an overall rating of 2 or higher and the Concessionaire shall replace the management company within sixty (60) days with a management company reasonably acceptable to the Institution and the BOR; failure to replace the management company or a second overall rating of 5 shall constitute an Event of Default.

12.1.3 The work order benchmark performance shall be the satisfaction of ninety-five (95%) of work orders within the appropriate time frames as outlined in Section 9.4, with one-hundred percent (100%) of emergency work orders handled in a timely manner.

12.1.3.1 Should the results indicate a performance level of less than ninety-seven percent (97%) but greater than ninety percent (90%), or less than ninety-nine percent (99%) of emergency work orders but greater than ninety-five percent (95%), the Concessionaire shall within thirty (30) days provide to the Institution and the BOR a plan for correcting those areas shown as below standard and shall immediately implement the corrective
actions, and the Base Rent Percentage under the Master Concession Agreement for the Project shall be increased by one-half of one percent (0.5%) of Gross Revenues until a follow up work order review indicates a performance level of ninety-seven percent (97%) of work orders being completed in the delineated manner for a period of at least one (1) month. Subsequent or continued results below ninety-seven percent (97%) shall constitute an Event of Nonperformance.

12.1.3.2 Should the results of the work order review fall below ninety percent (90%), or below ninety-five percent (95%) for greater than three (3) consecutive months, or four (4) months in a calendar year, the Base Rent Percentage under the Master Concession Agreement for the Project shall be increased by one-half of one percent (0.5%) of Gross Revenues until a follow up work order review indicates a performance level of ninety-seven percent (97%) of work orders being completed in the delineated manner for a period of at least one (1) month, and the Concessionaire shall replace the management company within sixty (60) days with a management company reasonably acceptable to the Institution and the BOR; failure to replace the management company or a continued performance level of less than ninety-five percent (95%) shall constitute an Event of Default.

12.1.4 The occupancy rate benchmark performance shall be that the actual occupancy rate for a Fiscal Year be no lower than ninety-five percent (95%) for the fall semester and ninety percent (90%) for the spring semester. Should the results indicate a performance level of actual occupancy rate less than the benchmark performance rate, the Base Rent Percentage under the Master Concession Agreement for the Project shall be increased by three-quarters of one percent (0.75%) of Gross Revenues for the semester period in question. Provided that the occupancy rate is no less than ten percent (10%) below the benchmark occupancy rate, the failure to meet the benchmark occupancy rate shall not constitute an event of Nonperformance; an occupancy rate greater than ten percent (10%) less than the benchmark occupancy rate shall constitute an Event of Nonperformance.

Section 12.2 BOR Option to Default Concessionaire or Self-Perform. Notwithstanding anything to the contrary, upon the third Event of Non-Performance hereunder in a twenty-four (24) month period, the BOR shall have the option to:

(a) terminate the Concessionaire’s right of possession under the applicable Lease related to the affected Project;

(b) at the BOR’s option, undertake any or all of the maintenance, management, and operation of the Project, either on its own behalf or through a replacement manager, and all expenses incurred by the BOR, which shall not be subject to the Concessionaire’s approval, shall be set off against any remittances of Gross Fees from the Institution to the Concessionaire under the terms of this Agreement or the Master Concession Agreement and the Concessionaire shall have no rights thereto;

(c) all other rights available to the BOR under the Master Concession Agreement.
ARTICLE XIII.

EVENTS OF DEFAULT AND NONPERFORMANCE

Section 13.1 Events of Default. Any one or more of the following shall constitute an event of default (each, an “Event of Default” and collectively, the “Events of Default”) under this Agreement by the Concessionaire:

13.1.1 any Event of Default under the Master Concession Agreement;

13.1.2 any failure of the Concessionaire, whether by action or inaction, to timely perform or observe any of the terms, covenants or conditions of this Agreement and such default is not remedied within thirty (30) days after written notice thereof is given to the Concessionaire, provided that if such default cannot, with reasonable diligence, be fully remedied within such thirty (30) day period, the Concessionaire shall have as long as is reasonably necessary to cure such default, but in no event longer than three (3) months after the date such default notice is given to the Concessionaire, provided the Concessionaire commences compliance within such thirty (30) day period (or as promptly as reasonably possible in an emergency) and thereafter pursues compliance to completion with reasonable diligence;

13.1.3 without limiting the scope of any other Event of Default listed in this Section 13.1, any finding by the State Fire Marshall of unsafe conditions at any Project and the Concessionaire’s failure to remedy such unsafe conditions within thirty (30) days after the Concessionaire’s receipt of notice thereof, regardless of whether such notice is given by the State Fire Marshall directly or by the BOR or the Institution; or

13.1.4 the concurrent occurrence of three (3) or more Events of Nonperformance, regardless of the duration of any such Event of Nonperformance.

Section 13.2 Remedies Upon an Event of Default. Upon the occurrence of any Event of Default, the BOR may at its option pursue any one or more of the following remedies, and any and all other rights or remedies accruing to the BOR by law or otherwise, without any notice or demand to the extent permitted by Applicable Law:

13.2.1 terminate this Agreement. Without limiting any provision of Article X of the Master Concession Agreement, the Concessionaire agrees to indemnify the BOR for all loss, damage and expense which the BOR may suffer by reason of such termination; or

13.2.2 perform any unperformed obligation of the Concessionaire. Any sums expended by the BOR shall be repaid by the Concessionaire within ten (10) days of demand therefor by the BOR.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies provided by law. In the event the BOR places the enforcement of all or any part of this Lease in the hands of an attorney on account of the Concessionaire’s default, the Concessionaire agrees to pay the BOR’s costs of collection, including reasonable attorney’s fees, whether suit is actually filed or not. Nothing in this Article XIII shall limit the remedies available to the BOR under any other Operative Agreement.
ARTICLE XIV.

ASSIGNMENT AND SUCCESSORS

Except as is expressly provided in Article XII of the Master Concession Agreement, the Concessionaire shall not assign, in whole or in part, this Agreement, or allow it to be assigned, in whole or in part, by operation of law or otherwise (including without limitation by transfer, in a single transaction or a series of transactions, of a majority interest of stock, partnership interests, limited liability company interests or other ownership interests, merger, or dissolution, which transfer of majority interest of stock, partnership interests or other ownership interests, merger or dissolution shall be deemed an assignment), without the prior written consent of the BOR, which consent may be withheld in the BOR’s sole and absolute discretion.

ARTICLE XV.

GENERAL PROVISIONS

Section 15.1 No Joint Venture. Nothing contained in this Agreement or any other Operative Agreement will make, or be construed to make, the Parties hereto partners or joint venturers with each other, joint owners of any property or joint stockholders in any enterprise or create, or be construed to create, any other similar relationship or arrangement or agency relationship between the Parties, and any implication to the contrary is hereby expressly disavowed, it being understood and agreed (a) that the only relationship between the BOR and the Concessionaire under the Operative Agreements is that of independent parties, each acting in its own best interests, and (b) that the principal objectives of the BOR in pursuing the transactions evidenced by the Operative Agreements are (i) to ensure the quality and safety of the student housing available at the Institution and thereby to enhance the educational experience of students at the Institution and (ii) to reduce the amount of BOR capital lease obligations associated with existing on-campus housing assets at the Institution and to use an alternative method of financing for new housing facilities at the Institution. Nothing in this Agreement or any other Operative Agreement will render, or be construed to render, either of the Parties hereto liable to any third party for the debts or obligations of the other Party hereto.

Section 15.2 No Pledge of Credit. Neither this Agreement nor any other Operative Agreement shall be deemed to create a debt of the BOR for the payment of any sum beyond the Fiscal Year of execution.

Section 15.3 Compliance with Law. The Concessionaire shall comply, at its sole cost and expense, with all Applicable Laws. Responsibility for compliance with all Applicable Laws rests exclusively with the Concessionaire, and the Concessionaire shall be liable for all costs associated with compliance, defense of enforcement actions or suits, payment of fines, penalties, or other sanctions and remedial costs related to the Concessionaire’s use and occupation of the Projects. The Concessionaire shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to the BOR, the validity or application of any law, ordinance, order, rule, regulation, or requirement. The BOR shall not be required to join in or assist the Concessionaire in any such proceedings.
Section 15.4 Remedies Cumulative; Failure of BOR to Insist on Compliance. The specified remedies to which the BOR may resort under the terms of the Operative Agreements are distinct, separate, and cumulative, and are not intended to be exclusive of any other remedies or means of redress to which the BOR may be lawfully entitled in case of any breach or threatened breach by the Concessionaire of any provisions of the Operative Agreements. The failure of the BOR or the Institution to insist, in any one or more instances, upon performance of any of the terms, covenants, or conditions of this Agreement or the other Operative Agreements shall not be construed as a waiver or a relinquishment of the BOR’s right to the future performance of any such terms, covenants, or conditions, but the obligations of the Concessionaire with respect to such future performance shall continue in full force and effect. No waiver by the BOR of any provisions of this Agreement or the other Operative Agreements shall be deemed to have been made unless expressed in a writing signed by an authorized representative of the BOR.

Section 15.5 Notices.

15.5.1 Whenever a Party is required or shall desire to give or serve upon any other Party or the Institution any notice, demand, order, direction, determination, requirement, consent or approval, request or other communication with respect to this Agreement, such notice, demand, order, direction, determination, requirement, consent or approval, request or other communication shall be in writing and shall not be effective for any purpose unless same shall be given or served as provided in Section 15.5.2 and addressed as follows:

If to the Concessionaire: [Concessionaire]

With copies to: [Attorney]

If to the BOR: Vice Chancellor for Fiscal Affairs and Treasurer
Office of Fiscal Affairs
Board of Regents of the University of Georgia
270 Washington Street, SW
Atlanta, Georgia 30334
Telephone: 404-962-3200
Fax: 404-962-3215

With copies to: Vice Chancellor for Legal Affairs
Office of Legal Affairs
Board of Regents of the University of Georgia
270 Washington Street, SW
Atlanta, Georgia 30334
Telephone: 404-962-3255
Fax: 404-962-3264

If to the Institution: [Institution]

With copies to: [Attorney]
or at such other address or addresses as the Parties or the Institution may from time to time designate by notice given by certified mail.

15.5.2 Every notice, demand, order, direction, determination, requirement, consent or approval, request, or communication hereunder shall be (a) personally served, (b) sent by certified first-class mail, return receipt requested, (c) sent by recognized overnight delivery service or (d) sent by e-mail, provided that notice by e-mail shall be promptly supplemented by delivery of notice as provided in (c) above. Any such notice, demand, order, direction, determination, requirement, consent or approval, request, or other communication shall be deemed to have been delivered on the date of the receipt of such delivery or transmission at the address set forth above (or such other address designated pursuant hereto), or, if sent by certified first-class mail, return receipt requested, and delivery is refused, upon the date of refusal to accept service.

Section 15.6 Headings or Titles. The brief headings or titles preceding each Section are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction of this Agreement.

Section 15.7 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original of equal dignity with the other, and each of which is deemed one and the same instrument as the others.

Section 15.8 No Reliance. Each Party has entered into this Agreement upon the advice of advisors of its own choosing, and each Party warrants and represents that it is not relying on any statement or advice of or from the other Party or any advisor of the other Party except as set forth expressly in this Agreement. Each Party is entering into this Agreement freely and voluntarily and each desires to be bound by this Agreement. Each Party has been fully informed of the terms, conditions and effects of this Agreement.

Section 15.9 Entire Agreement. It is expressly agreed that this written instrument, together with the provisions of the other Operative Agreements and any other documents that are expressly incorporated by reference into any Operative Agreement by the terms thereof, embodies the entire agreement between the Parties regarding the terms of this Agreement. The terms and conditions with respect to the use of the Premises by the Concessionaire are set forth in the Leases and other terms and conditions relating to the development and management of the Projects are contained in other Operative Agreements. There are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth herein or in the other Operative Agreements.

Section 15.10 Governing Law; Venue. This Agreement and the actions of the Parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Georgia (excluding conflict of law principles). Venue for any actions brought under this Agreement or any other Operative Agreement shall be laid exclusively in the Superior Court of Fulton County, State of Georgia pursuant to O.C.G.A. § 50-21-1(b) and each party hereto consents to the jurisdiction and venue of such court and further agrees that service of process for any such action may be properly and completely made upon each party at the address provided for notices hereunder in Section 15.5 of this Agreement.
Section 15.11 Severability. If any term or provision of this Agreement, or the application of the term or provision to any Person or circumstance is, to any extent, invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the Parties as contained herein, the remainder of this Agreement, or the application of the term or provision to Persons or circumstances other than those as to which the term or provision is held invalid or unenforceable, will not be affected by such invalidity or unenforceability, and each remaining term or provision of this Agreement will be valid and will be enforced to the fullest extent permitted by law. To the extent permitted by Applicable Law, the Parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

Section 15.12 Identification of Government Agencies, Statutes, Programs and Forms. Any reference in this Agreement, by name or number, to a government department, agency, statute, regulation, program, or form shall include any successor or similar department, agency, statute, regulation, program, or form.

Section 15.13 Approvals. Any approval or consent of the Parties or the Institution required for any matter under this Agreement shall be in writing and shall not be unreasonably withheld or delayed unless otherwise indicated in this Agreement.

Section 15.14 Binding Effect. Each of the provisions of this Agreement and each other Operative Agreement shall apply to, extend to, be binding upon and inure to the benefit or detriment of the Parties and, to the extent that any transfer, assignment, or sublease is permitted under Article XII of the Master Concession Agreement, to any transferee, assignee, sublessee or other successor of the Concessionaire.

Section 15.15 Third Party Beneficiaries. There shall be no third party beneficiaries of this Agreement, and none of the provisions of this Agreement shall be for the benefit of, enforceable by or relied upon by any third parties, including any creditors of the Concessionaire.

Section 15.16 No Individual Liability of BOR Officials. No covenant or agreement contained in this Agreement or any other Operative Agreement shall be deemed to be the covenant or agreement of any individual officer, agent, employee or representative of the BOR, in his or her individual or official capacity and none of such persons shall be subject to any personal liability or accountability by reason of such person’s execution of this Agreement or any other Operative Agreement, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise. The provisions of this Section 15.16 shall survive indefinitely, notwithstanding the expiration or early termination of this Agreement.

Section 15.17 Antidiscrimination Clause. In accordance with Applicable Law, the Concessionaire shall not discriminate on the basis of race, sex, religion, national or ethnic origin, age, disability or military status in its use or occupancy of the Project or Projects on the Campus.

Section 15.18 E-Verify. The Concessionaire certifies that it has complied, and will comply, with the Georgia Security and Compliance Act (O.C.G.A. § 13-10-90 et seq.).
Concessionaire will sign and comply with the Immigration and Security Affidavit attached to the
Master Concession Agreement as Exhibit D.

Section 15.19 Amendment. This Agreement may be amended at any time by mutual
agreement of the Parties but only by the execution of a writing signed by a duly authorized
representative of each of the respective Parties hereto.

Section 15.20 Further Assurances. At any time or times after the Effective Date, each
Party shall execute, have acknowledged and deliver to the other any instruments, and take any
other actions, as may be necessary to effectuate the transaction described herein.

Section 15.21 Confidentiality.

15.21.1 The Concessionaire has familiarized itself with the Georgia Open
Records Act (O.C.G.A. § 50-18-70 et seq.) and the Georgia Open Meetings Act (O.C.G.A. § 50-
14-1 et seq.) (collectively, the “Open Government Laws”) applicable to the issues of
confidentiality and public information. The BOR will not advise the Concessionaire as to the
nature or content of documents entitled to protection from disclosure under the Open
Government Laws, as to the interpretation of such laws, or as to definition of “confidential” or
“proprietary” as such terms are used under the Open Government Laws or other applicable
provisions of law. In no event shall the BOR or any of its agents, representatives, consultants,
directors, officers or employees be liable to the Concessionaire for the disclosure of all or a
portion of any information or material pursuant to a request under the Open Government Laws.

15.21.2 To the extent permitted by law, all information obtained by either Party
from the other pursuant to this Agreement shall be and remain confidential; provided, however,
that the foregoing shall not prevent either Party from disclosing such information, if any, as (a)
may reasonably be required to carry out its obligations hereunder (including without limitation
disclosure to its lenders, attorneys, accountants or consultants retained for the purposes of this
transaction) or as reasonably requested by potential or current investors or as reasonably
requested by a prospective construction lender or permanent lender or as may be required in
connection with any litigation or alternative dispute resolution proceedings between the parties
to this Agreement, or (b) as required by Applicable Law, court order or any rule, regulation or order
of any governmental authority or agency having jurisdiction over the Parties or the Projects,
including as required by any Open Government Laws.

Section 15.22 University System of Georgia Ethics Policy. The Concessionaire agrees
to comply with the University System of Georgia Ethics Policy, BOR Policy 8.2.20, as amended
from time to time.

Section 15.23 Tobacco and Smoke Free Campus. The Campus is tobacco and smoke
free in accordance with BOR Policy 9.1.7. The Concessionaire will comply with BOR Policy
9.1.7, as amended from time to time.

Section 15.24 Time of the Essence. Time is of the essence to each and every provision
of this Agreement.

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**BOR:**

BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

By: __________________________ L.S.
Name: 
Title: 

Attest: ______________________ L.S.
Name: 
Title: 

(Seal Affixed Here)

[SIGNATURES CONTINUED ON NEXT PAGE]
CONCESSIONAIRE:

[CONCESSIONAIRE],
a [State] [entity]

By: ___________________________
Authorized Representative

[SEAL]
SCHEDULE 6.7.1

INITIAL OCCUPANCY CALENDAR
### Housing Calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>ABAC</th>
<th>Armstrong</th>
<th>Coastal</th>
<th>Columbus</th>
<th>Dalton</th>
<th>EGSC</th>
<th>GRU</th>
<th>GSU</th>
<th>UNG</th>
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<tr>
<td>Date housing closes at end of Fall semester, 2014 (if students have to vacate)</td>
<td>12/13/2014</td>
<td>12/14/2014</td>
<td>12/13/2014</td>
<td>12/16/2014</td>
<td>12/9/2014</td>
<td>12/13/2014</td>
<td>12/14/2014</td>
<td>12/17/2014</td>
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<td>Drop / add deadline for Spring 2015 semester</td>
<td>1/15/2015</td>
<td>1/12 - 1/16/15</td>
<td>1/16/2015</td>
<td>1/16/15 for 100% refund</td>
<td>1/6/2015</td>
<td>1/14/2015</td>
<td>1/7/2015</td>
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<td>Dates of any summer orientation sessions for new students that will require housing</td>
<td>5/30/15 - 6/1/15</td>
<td>TBD</td>
<td>1 in June; 1 in July</td>
<td>TBD; 6 - 8 nights</td>
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<td>None</td>
<td>TBD June / July</td>
<td>TBD 6/15 - 6/19/2015 &amp; 7/20 - 7/24/2015</td>
<td></td>
</tr>
<tr>
<td>Date housing contract ends for 12 month contracts</td>
<td>7/31/2015</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>7/31</td>
<td>7/31</td>
</tr>
<tr>
<td>Date early housing users arrive for 2015 Fall semester (band, athletes, etc.)</td>
<td>Fall early arrivals 8/11/15</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>5/11/15 - 8/5/15</td>
<td>12 days</td>
</tr>
<tr>
<td>Date housing contract opens for 2015 Fall semester</td>
<td>8/7/2015</td>
<td>8/13/2015</td>
<td>8/18/2015</td>
<td>2nd week of August 8/1/2015</td>
<td>TBD</td>
<td>8/16/2015</td>
<td>8/14/2015</td>
<td></td>
<td></td>
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<tr>
<td>Financial aid cutoff date for 2015 Fall semester</td>
<td>None</td>
<td>11/22 - 11/29/15</td>
<td>None</td>
<td>None</td>
<td>N/A</td>
<td>None</td>
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<td>None</td>
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</tr>
<tr>
<td>Date housing closes at end of Fall semester, 2015 (if students have to vacate)</td>
<td>TBD 12/13/2015</td>
<td>12/12/2015</td>
<td>3rd week of December 12/8/2015</td>
<td>12/13/2015</td>
<td>12/13/2015</td>
<td>12/16/2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winter break housing available?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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### Leasing Calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>ABAC</th>
<th>Armstrong</th>
<th>Coastal</th>
<th>Columbus</th>
<th>Dalton</th>
<th>EGSC</th>
<th>GRU</th>
<th>GSU</th>
<th>UNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority leasing deadline for 2015 Summer semester</td>
<td>4/3/2015</td>
<td>5/1/2015</td>
<td>None</td>
<td>None</td>
<td>4/1 - 4/15/15</td>
<td>None</td>
<td>2/1/2015</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Priority leasing deadline for Fall semester</td>
<td>4/1/2015</td>
<td>5/1/2015</td>
<td>5/1/2015</td>
<td>None</td>
<td>4/1 - 4/15/15</td>
<td>None</td>
<td>3/1/15 - Returning 4/30/15 - new N/A 3/1/2015 for current freshmen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wait list harvesting for 2015 Fall semester</td>
<td>TBD</td>
<td>4/13 - 8/13/15</td>
<td>Summer 2015</td>
<td>TBD</td>
<td>Rolling</td>
<td>N/A</td>
<td>6/15/2015</td>
<td>N/A</td>
<td>Rolling</td>
</tr>
<tr>
<td>Other important dates</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

- **Fall lottery for returning - 3/15/15**
- **Fall lottery w/o penalty - 4/1 - cancellation w/o penalty - new**
- **Spring lottery w/ penalty - 4/1 - cancellation w/ penalty - new**
- **Summer lottery w/ penalty - 4/1 - cancellation w/o penalty - new**
- **Winter lottery w/o penalty - 4/1 - cancellation w/o penalty - new**
- **Spring lottery w/ penalty - 4/1 - cancellation w/o penalty - new**
- **Summer lottery w/o penalty - 4/1 - cancellation w/ penalty - new**
SCHEDULE 9.1

APPA STANDARDS

APPA MAINTENANCE STANDARDS
Under the Association of Physical Plant Administrators (APPA) there are five levels of maintenance. Please reference below for standards for each level.

Level 1: Showpiece Facility
Maintenance activities appear highly focused. Typically, equipment and building components are fully functional and in excellent condition. Service and maintenance calls are responded to immediately. Buildings and equipment are regularly upgraded, keeping them current with modern standards and usage.

Level 2: Comprehensive Stewardship
Maintenance activities appear to be somewhat organized, but they remain people dependent. Equipment and building components are usually functional and in operating condition. Service and maintenance calls are responded to in a timely manner. Buildings and equipment are regularly updated, keeping them current with modern standards and usage.

Level 3: Managed Care
Maintenance activities appear to be somewhat organized, but they remain people-dependent. Equipment and building components are mostly functional, but they suffer occasional breakdowns. Service and maintenance call response time are variable and sporadic without apparent cause. Buildings and equipment are periodically upgraded to current standards and usage, but not enough to control the effects of normal usage and deterioration.

Level 4: Reactive Management
Maintenance activities appear to be somewhat chaotic and are people-dependent. Equipment and building components are frequently broken and inoperative. Service and maintenance calls are typically not responded to in a timely manner. Normal usage and deterioration continues unabated, making buildings and equipment inadequate to meet present usage needs.

Level 5: Crisis Response
Maintenance activities appear chaotic and without direction. Equipment and building components are routinely broken and inoperative. Services and maintenance calls are never responded to in a timely manner. Normal usage and deterioration continues unabated, making buildings and equipment inadequate to meet present usage needs.

APPA CUSTODIAL STANDARDS
Under the Association of Physical Plant Administrators (APPA) there are five levels of cleaning. Please reference below for standards for each level.

Levels of Cleaning

Level 1: Orderly
This level establishes cleaning at the highest level. It was Spotlessness developed for the corporate suite, the donated building or the historical focal point. This is show-quality cleaning for that prime facility.

- Floors and base moldings shine and/or are bright and clean; colors are fresh. There is no buildup in corners or along walls.
- All vertical and horizontal surfaces have a freshly cleaned or polished appearance and have no accumulation of dust, dirt, marks, streaks, smudges or fingerprints.
- Washroom and shower tile and fixtures gleam and are odor free. Supplies are adequate.
- Trash containers are empty, clean and odor-free.

Level 2: Ordinary
This level is the base upon which this study is established. Tidiness is the level at which cleaning should be maintained. Lower levels for washrooms, changing/locker rooms and similar type facilities are not acceptable.

- Floors and base moldings shine and/or are bright and clean. There is no buildup in corners or along walls, but there can be up to two days’ worth of dirt, dust, stains or streaks.
- All vertical and horizontal surfaces are clean, but marks, dust, smudges and fingerprints are noticeable with close observation.
- Washroom and shower tile and fixtures gleam and are odor free. Supplies are adequate.
- Trash containers are empty, clean and odor-free.

Level 3: Casual
This level reflects the first budget cut, or some other staffing-related Inattention problem. It is a lowering of normal expectations.

- Floors are swept clean, but upon observation dust, dirt and stains, as well as a buildup of dirt, dust and/or floor finish in corners and along walls, can be seen.
- There are dull spots and/or matted carpet in walking lanes and streaks and splashes on base molding.
- All vertical and horizontal surfaces have obvious dust, dirt, marks, smudges and fingerprints.
- Lamps all work and all fixtures are clean.
- Trash containers are empty, clean and odor-free.

Level 4: Moderate
This level reflects the second budget cut, or some other significant Dinginess staffing-related problem. Areas are becoming unacceptable. People begin to accept an environment lacking normal cleanliness. In fact, the facility begins to constantly look like it requires a good “spring cleaning.”

- Floors are swept clean, but are dull. Colors are dingy and there is an obvious buildup of dust, dirt and/or floor finish in corners and along walls. Molding is dull and contains streaks and splashes.
- All vertical and horizontal surfaces have conspicuous dust, dirt, smudges, fingerprints and marks that will be difficult to remove.
- Less than 5 percent of lamps are burned out and fixtures are dingy.
- Trash containers have old trash. They are stained and marked. Trash cans smell sour.
Level 5: Unkempt Neglect
This is the final and lowest level. The trucking industry would call this “just-in-time cleaning.” The facility is always dirty, with cleaning accomplished at an unacceptable level.

- Floors and carpets are dirty and have visible wear and/or pitting. Colors are faded and dingy and there is a conspicuous buildup of dirt, dust and/or floor finish in corners and along walls. Base molding is dirty, stained and streaked. Gum, stains, dirt dust balls and trash are broadcast.
- All vertical and horizontal surfaces have major accumulations of dust, dirt, smudges and fingerprints, as well as damage. It is evident that no maintenance or cleaning is done on these surfaces.
- More than 5 percent of lamps are burned out and fixtures are dirty with dust balls and flies.
- Trash containers overflow. They are stained and marked. Trash containers smell sour.
### SCHEDULE 11.3.1

#### CAPITAL ASSET DESCRIPTION AND USEFUL LIFE

<table>
<thead>
<tr>
<th>Asset</th>
<th>Longevity</th>
<th>Asset</th>
<th>Longevity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Components/Services</strong></td>
<td></td>
<td><strong>Specific Exterior</strong></td>
<td></td>
</tr>
<tr>
<td>Corridor Carpeting</td>
<td>5 years</td>
<td>Wood Exterior Siding</td>
<td>10 years</td>
</tr>
<tr>
<td>Ceiling Finishes</td>
<td>10 years</td>
<td>Vinyl Exterior Siding</td>
<td>25 years</td>
</tr>
<tr>
<td>Interior Renovations</td>
<td>10 years</td>
<td>Brick Siding</td>
<td>50 years</td>
</tr>
<tr>
<td>Interior Construction</td>
<td>15 years</td>
<td>Stucco Siding</td>
<td>50 years</td>
</tr>
<tr>
<td>Electrical</td>
<td>20 years</td>
<td>Windows</td>
<td>20 years</td>
</tr>
<tr>
<td>Elevators</td>
<td>20 years</td>
<td>Window Screens</td>
<td>5 years</td>
</tr>
<tr>
<td>HVAC</td>
<td>20 years</td>
<td>Exterior Paint</td>
<td>5 years</td>
</tr>
<tr>
<td>Plumbing</td>
<td>20 years</td>
<td>Exterior Caulk/Sealant</td>
<td>5 years</td>
</tr>
<tr>
<td>Fire Systems</td>
<td>25 years</td>
<td>Gutters</td>
<td>20 years</td>
</tr>
<tr>
<td>Roof Cover</td>
<td>25 years</td>
<td>Downspouts</td>
<td>10 years</td>
</tr>
<tr>
<td>Exterior Walls</td>
<td>50 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Structure</td>
<td>50 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td>50 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Framing</td>
<td>50 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Structures</td>
<td>50 years</td>
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</tr>
<tr>
<td><strong>Specific Interior</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cabinets (wood construction)</td>
<td>50 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countertops (laminate)</td>
<td>15 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countertops (granite/solid)</td>
<td>50 years</td>
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</tr>
<tr>
<td>Steel Entry Doors</td>
<td>40 years</td>
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</tr>
<tr>
<td>Masonite Interior Doors</td>
<td>10 years</td>
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</tr>
<tr>
<td>Door Hardware</td>
<td>10 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior Trim</td>
<td>20 years</td>
<td></td>
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</tr>
<tr>
<td>Window Coverings</td>
<td>10 years</td>
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</tr>
<tr>
<td>Interior Walls</td>
<td>35 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior Paint</td>
<td>5 years</td>
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</tr>
<tr>
<td>Wood Flooring</td>
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<tr>
<td>Tile Flooring</td>
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<tr>
<td>Vinyl Flooring</td>
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</tr>
<tr>
<td>Room Carpet Flooring</td>
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<td><strong>Appliances</strong></td>
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<tr>
<td>Microfridge</td>
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<td></td>
</tr>
<tr>
<td>Clothes Dryer</td>
<td>13 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dishwasher</td>
<td>9 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microwave</td>
<td>9 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washing Machine</td>
<td>9 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range Hood</td>
<td>9 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal</td>
<td>5 years</td>
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</tr>
<tr>
<td></td>
<td></td>
<td><strong>Mechanicals</strong></td>
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<tr>
<td>Electrical Accessories</td>
<td>10 years</td>
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<td></td>
</tr>
<tr>
<td>Lighting Controls</td>
<td>10 years</td>
<td></td>
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</tr>
<tr>
<td>Plumbing Fixtures/Accessories</td>
<td>15 years</td>
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</tr>
<tr>
<td>Water Heaters</td>
<td>13 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HVAC Systems</td>
<td>15 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thermostat</td>
<td>5 years</td>
<td></td>
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</tr>
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Years are calculated from date of occupancy of buildings.