



May 29, 2020

Vice Chancellor for Fiscal Affairs and Treasurer Office of Fiscal Affairs  
Board of Regents of the University System of Georgia  
270 Washington Street, SW  
Atlanta, GA 30334

With copy to:

Vice Chancellor for Legal Affairs  
Office of Legal Affairs  
Board of Regents of the University System of Georgia  
270 Washington Street, SW  
Atlanta, GA 30334

RE: Amended and Restated Master Concession Agreement for the Leasing and Development of Student Housing (Phase 1) between the Board of Regents of the University of System of Georgia (the "BOR") and Corvias Campus Living – USG, LLC ("Concessionaire") dated May 13, 2015, as further amended (the "Phase 1 Student Housing MCA")

Dear Vice Chancellor,

We have been closely following media reports regarding the variety of possible scenarios colleges and universities are considering for conducting on-campus classes for the Fall 2020 semester. We are also aware of the latest guidance issued by the Center for Disease Control (on (i) Colleges and Universities, and (ii) Shared or Congregate Housing ("CDC Guidance").

We understand the BOR and the nine institutions involved in the Phase 1 Student Housing MCA may currently be deliberating alternative plans for the Fall 2020 semester, and we therefore felt it important to communicate directly with you regarding our concerns, as the Concessionaire, regarding certain actions the BOR may be considering at this time.

First, the Phase 1 Student Housing MCA does not give the BOR the unilateral right to (i) take actions that would either (a) prevent students at the Institutions from living on Campus, or (b) have the intent and effect of discouraging students at the Institutions from living on campus, or (ii) exercise any of its reserved rights in a manner that materially interferes with or has a materially negative impact on the Concessionaire's operation and management of the Project.

Accordingly, while the BOR can certainly do what it wishes with respect to its Retained Housing, the BOR does not have the unilateral right under the Phase 1 Student Housing MCA to institute a policy that would for example, either (i) limit the number of students who can occupy the Phase 1 Student Housing, or (ii) reduce the semester housing fees (due to a shortened semester or otherwise) for which the Concessionaire has a contractual right to receive per the Phase 1 Student Housing MCA.

As partners in a 40-year arrangement, we believe the Concessionaire and BOR's interests should be aligned, and that critical decisions that could impact housing fee revenue should be made with consideration of the long-term financial viability of the on-campus student housing project. It is important to note that the Concessionaire took on \$548 million in debt in order to defease over \$311 million of BOR debt and facilitate the construction of approximately 6,500 new beds and significant renovations of approximately 3,500 beds across the nine involved USG Institution campuses. That debt is secured by the Concessionaire's rights to receive the Phase 1 Student Housing fee revenue. And while the Concessionaire and lender have accepted the risk of fluctuating student housing demand, they have not accepted the risk of unilateral actions by BOR that would negatively impact Phase 1 Student Housing fee revenues.

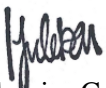
Second, please note that we intend to follow, as closely as reasonably possible, applicable CDC Guidance relating to social distancing and cleanliness/disinfecting, as well as APPA standards relating to cleanliness. However, it should be specifically noted that pursuant to applicable CDC Guidance, social distancing is not required amongst housemates - and roommates are considered housemates. Accordingly, while the CDC may be of the belief that reducing density in student housing may lower the possibility of infection, we do not believe that requires a reduction in the number of roommates that would typically be permitted in the Phase 1 Student Housing or the number of students that can be housed in a given building. Rather, we believe a more appropriate course of action would be to do things like limit the occupancy and use of common areas, shared bathrooms, and elevators – all things we are already preparing to address, if and as necessary this Fall.

Moreover, limiting the occupancy of on-campus student housing will not ultimately benefit students or the University community, since displaced students will be forced to occupy off campus housing that is likely more expensive and will not have the benefit of the same level of health-conscious operations the Concessionaire and the University can maintain in the on-campus housing.

We trust you will understand why we felt it important to make our position clear on these critical issues at this time. As always, we welcome the opportunity to discuss ways in which we may be able to collaboratively work together as partners to develop solutions to address challenges such as those the BOR and Institutions are confronting as a result of the COVID-19 pandemic.

Please let us know if you have any questions.

Sincerely,



Corvias Campus Living – USG, LLC

Chris Wilson

Vice President and Authorized Representative