

**OUTLINE OF
UNIVERSITY OF NEW MEXICO (“UNM”) –
AMERICAN CAMPUS COMMUNITIES (“ACC”)
MASTER AGREEMENT FOR LEASE OF
UNM SITES FOR STUDENT HOUSING (the “Project”)**

- I. UNM Regents (“Regents”), upon recommendation of Lobo Development Corporation (“Lobo”), Approve Master Agreement for Lease and Term Sheet of Ground Lease Terms.
 - A. Regents authorize Lobo to provide real estate management and development services in order to advance the Project.
 - 1. Lobo reviews the ACC submittals and makes recommendation to Regents regarding proposed housing component (“Component”). If Regents approve Component, becomes an Approved Component.
 - 2. Lobo negotiates final Ground Lease terms for Approved Component with ACC and recommends to Regents approval and execution of Ground Lease with ACC.
 - B. Lobo entitled to a fee for services rendered, pursuant to Memorandum of Understanding between Regents and Lobo, in advancing and managing the real estate development Project.

- II. The Strategic Housing Components.
 - A. Component I: A new apartment style housing project primarily for upperclassmen on the South Campus consisting of approximately 700-1,100 beds.¹
 - B. Component II: A residence hall student housing project on the Main Campus consisting of approximately 1,300 beds.²
 - C. Component III: The balance of the number of beds called for in the Lobo approved Strategic Housing Plan, provided that on Main Campus there shall be at least a 1000 bed net gain inclusive of Main Campus beds in Component II.³
 - D. ACC may proceed to prepare Preliminary Materials for Component I upon Regent approval of the Master Agreement.
 - E. Components II and III are subject to revision upon preparation and approval of Strategic Housing Plan.

III. Strategic Housing Plan (“SHP”).

- A. ACC work product.
 - 1. Housing market study.
 - 2. Development sites.
 - 3. Feasibility analysis, including development & operational proformas.
 - 4. Recommendations for existing housing.

¹ To be completed by August 15, 2011 (Section 1.2.10).

² To be completed by August 15, 2013 (Section 1.2.11).

³ To be completed as soon as reasonably practicable after August 15, 2013 (Section 1.2.12).

5. Development phasing & schedule.
 - B. Submitted to Lobo⁴ for administrative review, comment and approval.
 1. Lobo will seek University input before approval or disapproval.
 - C. No risk sharing by Lobo or UNM (ACC work on SHP not subject to reimbursement).
- IV. If Lobo approves SHP⁵, ACC Notifies Lobo of Intent to Proceed (“Preliminary Notification”) with Housing Component.
- A. Component must be consistent with SHP.
 - B. ACC proceeds to prepare Preliminary Materials (“PM”) for a proposed Component.
 1. Conceptual site plans.
 2. Conceptual architectural plans.
 3. Conceptual infrastructure plans.
 4. Preliminary budget; development & operational proforma, including ground rent, financing terms and equity return rates.
 5. Preliminary development & construction schedule.
 6. Housing support and service plan (parking, food service, utilities, etc).

⁴ Within 45 days after Lobo identifies Main Campus Sites (Section 1.1).

⁵ Within 20 business days following Lobo’s receipt of the SHP and as extended by subsequent submittals (Section 1.3).

- a. Impact on current residents in main campus student housing.
 - b. Support/Services needed for new ACC student housing.
- 7. Conceptual residential life & academic program.
- 8. Actual out-of-pocket expenses by ACC for preparing PM.
 - a. Estimate of expenses previously provided with Preliminary Notification.
- 9. Approved Component Reimbursable Schedule.
- 10. Proposed modifications to Ground Lease terms.
- C. ACC delivers PM to Lobo⁶ for Lobo review, comment, approval, and recommendation to Regents. Upon Regents approval⁷ of PM and Component, a Component becomes an Approved Component (“AC”).
- V. Lobo and ACC Negotiate Ground Lease (“GL”).
 - A. Consistent with Regent approved Outline of Ground Lease Terms, as modified by modifications to Ground Lease Terms included in PM.
 - B. Upon receipt of favorable recommendation from Lobo, Regents approve GL⁸ and authorize University Administration to execute GL.

⁶ Following approval of SHP, except for Component I, for which the PM may be delivered prior to approval of SHP (Section 1.4.1).

⁷ Within 90 days of Lobo’s receipt of the PM unless extended by mutual agreement (Section 1.4.1).

⁸ Within 90 days following Regent approval of a Component unless extended by mutual agreement (Section 1.5).

- VI. ACC Undertakes Pre-Development Services and prepares Final Materials.
 - A. Upon execution of GL by ACC and University Administration, for Regents. However, ACC may, at its option, commence Pre-Development Services upon approval of PM by Lobo pending execution of GL.
 - B. Pre-Development Services result in Final Materials.
 - 1. Plans and specifications. (Lobo approval only of exterior building elevations, site plans, landscape plans, exterior lighting, and call box locations.)
 - 2. Budget. (Lobo review & comment only.)
 - 3. Schedule. (Lobo review & comment only.)
 - 4. Residential life. (Lobo review & comment only.)
- VII. Risk Sharing at PM / AC Stage.
 - A. If Lobo does not approve PM, component becomes “severed” from SHP and becomes a “Discontinued Component”.
 - 1. Such Discontinued Component is subject to PM reimbursement fee.
 - a. Equal to 50% of reasonable out-of-pocket expenses paid by ACC for preparing PM (the “PM Fee”).
 - 1) However, for reimbursement purposes total reimbursable out-of-pocket expenses cannot exceed 50% of the estimate in Preliminary Notification.

- B. If Lobo approves PM and recommends approval of Component, but Regents do not approve the Component or ACC and Lobo are unable to negotiate a ground lease, then Component becomes a Discontinued Component.
 - 1. Such Discontinued Component is subject to AC reimbursement fee.
 - 2. AC Fee equals PM Fee plus 50% of additional reasonable out-of-pocket expenses paid by ACC to point Component is discontinued.
- C. If Ground Lease has been executed, Regents may terminate the Ground Lease, prior to construction, by payment of 100% of Reimbursables plus:
 - 1. If more than 180 days before commencement of construction, 1% of costs of design, development, and construction of Component.
 - 2. If between 180 and 30 days of commencement of construction, 2% of costs of design, development, and construction of Component
 - 3. If within 30 days before commencement of construction, 3% of costs of design, development, and construction of Component

VIII. Exclusivity.

- A. University agrees to deal exclusively with ACC relative to ground leasing or third-party development of any Component for five (5) years from effective date.
- B. Not applicable if Lobo disapproves SHP or PM for Component I, or ACC does not initiate construction of

main campus student housing near Johnson Field within thirty (30) months from date of approval of the SHP.

IX. Other Standard Provisions.

A. Will follow discussions with ACC.

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