

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2022**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 1-31923

UNIVERSAL TECHNICAL INSTITUTE, INC .

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

86-0226984
(IRS Employer Identification No.)

4225 East Windrose Drive , Suite 200
Phoenix , Arizona 85032
(Address of principal executive offices, including zip code)

(623) 445-9500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value	UTI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At May 2, 2022, there were 33,042,047 shares outstanding of the registrant's common stock.

UNIVERSAL TECHNICAL INSTITUTE, INC.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the documents incorporated by reference herein contain forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and Section 27A of the Securities Act of 1933, as amended (“Securities Act”), which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. From time to time, we also provide forward-looking statements in other materials we release to the public as well as verbal forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” and similar expressions (including the negative form of such expressions) intended to identify forward-looking statements, although not all forward looking statements contain these identifying words. Forward-looking statements are based on our current expectations and assumptions, do not strictly relate to historical or current facts, any of which may not prove to be accurate. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Important factors that could cause actual results to differ from those in our forward-looking statements include, without limitation:

- failure of our schools to comply with the extensive regulatory requirements for school operations;
- our failure to maintain eligibility for federal student financial assistance funds;
- continued Congressional examination of the for-profit education sector;
- a disruption in our ability to process student loans under the Federal Direct Loan Program;
- regulatory investigations of, or actions commenced against, us or other companies in our industry;
- the effect of public health pandemics, epidemics or outbreak, including COVID-19;
- changes in the state regulatory environment or budgetary constraints;
- our failure to realize the expected benefits of our acquisition of MIAT College of Technology;
- our failure to successfully integrate MIAT College of Technology’s program offerings into our current program offerings;
- our failure to improve underutilized capacity at certain of our campuses;
- enrollment declines or challenges in our students’ ability to find employment as a result of macroeconomic conditions;
- our failure to maintain and expand existing industry relationships and develop new industry relationships with our industry customers;
- our ability to update and expand the content of existing programs and develop and integrate new programs in a cost-effective manner while maintaining positive student outcomes;
- our failure to effectively identify, establish and operate additional schools, programs or campuses;
- the effect of our principal stockholder owning a significant percentage of our capital stock, and thus being able to influence certain corporate matters and the potential in the future to gain substantial control over our company;
- the impact of certain holders of our Series A Preferred Stock owning a significant percentage of our capital stock, their ability to influence and control certain corporate matters and the potential for future dilution to holders of our common stock;
- loss of our senior management or other key employees;
- failure to comply with the restrictive covenants and our ability to pay the amounts when due under the Credit Agreement; and
- risks related to other factors discussed in our [2021 Annual Report on Form 10-K](#) filed with the SEC on December 2, 2021 (the “2021 Annual Report on Form 10-K”).

The factors above are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. We cannot guarantee that any forward-looking statement will be realized. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. Many events beyond our control may determine

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whether results we anticipate will be achieved. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. Among the factors that could cause actual results to differ materially are the factors discussed under Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” You should bear this in mind as you consider forward-looking statements.

Also, these forward-looking statements represent our estimates and assumptions only as of the date of the document containing the applicable statement. Except as required by law, we undertake no obligation to update or revise forward looking statements, whether as a result of new information, future events or otherwise. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. We qualify all of the forward-looking statements in this Quarterly Report on Form 10-Q, including the documents that we incorporate by reference herein, by these cautionary statements. You are advised, however, to consult any further disclosures we make on related subjects in our reports and filings with the Securities and Exchange Commission (“SEC”).

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and per share amounts)
(Unaudited)

	March 31, 2022	September 30, 2021
Assets		
Cash and cash equivalents	\$ 61,498	\$ 133,721
Restricted cash	11,481	12,256
Receivables, net	15,465	17,151
Notes receivable, current portion	5,519	5,538
Prepaid expenses	8,048	6,658
Other current assets	7,461	8,068
Total current assets	109,472	183,392
Property and equipment, net	193,084	122,051
Goodwill	16,859	8,222
Intangible assets	16,273	124
Notes receivable, less current portion	30,764	30,586
Right-of-use assets for operating leases	141,736	159,075
Deferred tax asset, net	3,907	—
Other assets	5,258	9,120
Total assets	\$ 517,353	\$ 512,570
Liabilities and Shareholders' Equity		
Accounts payable and accrued expenses	\$ 55,147	\$ 54,397
Deferred revenue	42,010	57,648
Accrued tool sets	3,619	3,292
Operating lease liability, current portion	12,940	14,075
Long term debt, current portion	2,374	876
Other current liabilities	2,262	2,430
Total current liabilities	118,352	132,718
Deferred tax liabilities, net	—	674
Operating lease liability	137,635	153,228
Long-term debt	46,045	29,850
Other liabilities	4,586	7,570
Total liabilities	306,618	324,040
Commitments and contingencies (Note 16)		
Shareholders' equity:		
Common stock, \$ 0.0001 par value, 100,000 shares authorized, 33,124 and 32,915 shares issued	3	3
Preferred stock, \$ 0.0001 par value, 10,000 shares authorized; 700 shares of Series A Convertible Preferred Stock issued and outstanding, liquidation preference of \$ 100 per share	—	—
Paid-in capital - common	143,926	142,314
Paid-in capital - preferred	68,853	68,853
Treasury stock, at cost, 82 shares	(365)	(365)
Retained deficit	(2,437)	(21,996)
Accumulated other comprehensive income (loss)	755	(279)
Total shareholders' equity	210,735	188,530
Total liabilities and shareholders' equity	\$ 517,353	\$ 512,570

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Revenues	\$ 102,086	\$ 77,709	\$ 207,161	\$ 153,834
Operating expenses:				
Educational services and facilities	49,209	40,480	97,110	79,811
Selling, general and administrative	49,500	38,890	93,096	74,909
Total operating expenses	98,709	79,370	190,206	154,720
Income (loss) from operations	3,377	(1,661)	16,955	(886)
Other (expense) income:				
Interest income	8	8	20	62
Interest expense	(466)	(1)	(699)	(3)
Other (expense) income, net	(163)	73	(45)	355
Total other (expense) income, net	(621)	80	(724)	414
Income (loss) before income taxes	2,756	(1,581)	16,231	(472)
Income tax benefit (See Note 15)	4,598	34	5,945	8
Net income (loss)	\$ 7,354	\$ (1,547)	\$ 22,176	\$ (464)
Preferred stock dividends	1,294	1,312	2,617	2,625
Net income (loss) available for distribution	\$ 6,060	\$ (2,859)	\$ 19,559	\$ (3,089)
Earnings per share (See Note 18):				
Net income (loss) per share - basic	\$ 0.11	\$ (0.09)	\$ 0.36	\$ (0.09)
Net income (loss) per share - diluted	\$ 0.11	\$ (0.09)	\$ 0.36	\$ (0.09)
Weighted average number of shares outstanding:				
Basic	32,992	32,762	32,920	32,709
Diluted	33,436	32,762	33,393	32,709

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Net income (loss)	\$ 7,354	\$ (1,547)	\$ 22,176	\$ (464)
Other comprehensive income:				
Unrealized gain on interest rate swap	861	—	1,034	—
Comprehensive income (loss)	<u>\$ 8,215</u>	<u>\$ (1,547)</u>	<u>\$ 23,210</u>	<u>\$ (464)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Paid-in Capital - Common</u>	<u>Paid-in Capital - Preferred</u>	<u>Treasury Stock</u>		<u>Retained Deficit</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Shareholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			<u>Shares</u>	<u>Amount</u>			
Balance as of September 30, 2021	32,915	\$ 3	700	\$ —	\$ 142,314	\$ 68,853	(82)	\$ (365)	\$ 21,996	\$ (279)	\$ 188,530
Net income	—	—	—	—	—	—	—	—	14,822	—	14,822
Issuance of common stock under employee plans	111	—	—	—	—	—	—	—	—	—	—
Shares withheld for payroll taxes	(37)	—	—	—	(301)	—	—	—	—	—	(301)
Stock-based compensation	—	—	—	—	706	—	—	—	—	—	706
Preferred stock dividends	—	—	—	—	—	—	—	—	(1,323)	—	(1,323)
Unrealized gain on interest rate swap	—	—	—	—	—	—	—	—	—	173	173
Balance as of December 31, 2021	32,989	\$ 3	700	\$ —	\$ 142,719	\$ 68,853	(82)	\$ (365)	\$ (8,497)	\$ (106)	\$ 202,607
Net income	—	—	—	—	—	—	—	—	7,354	—	7,354
Issuance of common stock under employee plans	177	—	—	—	—	—	—	—	—	—	—
Shares withheld for payroll taxes	(42)	—	—	—	(327)	—	—	—	—	—	(327)
Stock-based compensation	—	—	—	—	1,534	—	—	—	—	—	1,534
Preferred stock dividends	—	—	—	—	—	—	—	—	(1,294)	—	(1,294)
Unrealized gain on interest rate swap	—	\$ —	—	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ 861	\$ 861
Balance as of March 31, 2022	33,124	\$ 3	700	\$ —	\$ 143,926	\$ 68,853	(82)	\$ (365)	\$ (2,437)	\$ 755	\$ 210,735

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)
(In thousands)
(Unaudited)

	Common Stock		Preferred Stock		Paid-in Capital - Common	Paid-in Capital - Preferred	Treasury Stock		Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			Shares	Amount			
Balance as of September 30, 2020	32,730	\$ 3	700	\$ —	\$ 141,002	\$ 68,853	(82)	\$ (365)	\$ 32,971	\$ —	\$ 176,522
Net income	—	—	—	—	—	—	—	—	1,083	—	1,083
Cumulative effect from adoption of ASC 326	—	—	—	—	—	—	—	—	1,644	—	1,644
Issuance of common stock under employee plans	66	—	—	—	—	—	—	—	—	—	—
Shares withheld for payroll taxes	(29)	—	—	—	(178)	—	—	—	—	—	(178)
Stock-based compensation	—	—	—	—	548	—	—	—	—	—	548
Preferred stock dividends	—	—	—	—	—	—	—	—	(1,313)	—	(1,313)
Balance as of December 31, 2020	32,767	\$ 3	700	\$ —	\$ 141,372	\$ 68,853	(82)	\$ (365)	\$ 31,557	\$ —	\$ 178,306
Net loss	—	—	—	—	—	—	—	—	(1,547)	—	(1,547)
Issuance of common stock under employee plans	164	—	—	—	—	—	—	—	—	—	—
Shares withheld for payroll taxes	(35)	—	—	—	(223)	—	—	—	—	—	(223)
Stock-based compensation	—	—	—	—	1,234	—	—	—	—	—	1,234
Preferred stock dividends	—	—	—	—	—	—	—	—	(1,312)	—	(1,312)
Balance as of March 31, 2021	32,896	\$ 3	700	\$ —	\$ 142,383	\$ 68,853	(82)	\$ (365)	\$ 34,416	\$ —	\$ 176,458

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Six Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 22,176	\$ (464)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,563	6,851
Amortization of right-of-use assets for operating leases	9,123	8,117
Bad debt expense	1,355	415
Stock-based compensation	2,240	1,782
Deferred income taxes	(6,556)	—
Training equipment credits earned, net	(809)	155
Unrealized gain on interest rate swap	1,034	—
Other gains (losses), net	112	(135)
Changes in assets and liabilities:		
Receivables	3,777	12,277
Prepaid expenses	(79)	(2,987)
Other assets	(540)	(535)
Notes receivable	(159)	134
Accounts payable and accrued expenses	(46)	(1,480)
Deferred revenue	(17,481)	260
Income tax receivable	—	2,685
Accrued tool sets and other current liabilities	752	244
Operating lease liability	(8,566)	(9,159)
Other liabilities	(3,496)	(633)
Net cash provided by operating activities	<u>10,400</u>	<u>17,527</u>
Cash flows from investing activities:		
Cash paid for acquisition, net of cash acquired	(26,514)	—
Purchase of property and equipment	(53,151)	(49,919)
Proceeds from disposal of property and equipment	2	6
Proceeds from maturities of held-to-maturity securities	—	18,189
Return of capital contribution from unconsolidated affiliate	188	150
Net cash used in investing activities	<u>(79,475)</u>	<u>(31,574)</u>
Cash flows from financing activities:		
Payment of preferred stock cash dividend	(2,617)	(2,625)
Payments on term loan and finance leases	(678)	(64)
Payment of payroll taxes on stock-based compensation through shares withheld	(628)	(401)
Net cash used in financing activities	<u>(3,923)</u>	<u>(3,090)</u>
Change in cash, cash equivalents and restricted cash	<u>(72,998)</u>	<u>(17,137)</u>
Cash and cash equivalents, beginning of period	133,721	76,803
Restricted cash, beginning of period	12,256	12,116
Cash, cash equivalents and restricted cash, beginning of period	<u>145,977</u>	<u>88,919</u>
Cash and cash equivalents, end of period	61,498	58,965
Restricted cash, end of period	11,481	12,817
Cash, cash equivalents and restricted cash, end of period	<u>\$ 72,979</u>	<u>\$ 71,782</u>

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In thousands)
(Unaudited)

	Six Months Ended March 31,	
	2022	2021
Supplemental disclosure of cash flow information:		
Income taxes paid (refunded)	\$ 399	\$ (2,693)
Interest paid	680	3
Training equipment obtained in exchange for services	802	227
Depreciation of training equipment obtained in exchange for services	453	646
Accounts payable and accrued expenses for capital expenditures	1,140	1,098
CARES Act funds received for student emergency grants (See Note 21)	4,942	—
CARES Act funds disbursed for student emergency grants (See Note 21)	(5,026)	—
CARES Act funds received for institutional costs	—	880

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

Note 1 - Nature of the Business

Founded in 1965, with approximately 250,000 graduates in its history, Universal Technical Institute, Inc. (“we,” “us” or “our”) is a leading provider of transportation and technical training programs. As of March 31, 2022, we offered certificate, diploma or degree programs at 14 campuses across the United States under the banner of several well-known brands, including Universal Technical Institute (“UTI”), Motorcycle Mechanics Institute and Marine Mechanics Institute (collectively, “MMI”), NASCAR Technical Institute (“NASCAR Tech”), and MIAT College of Technology (“MIAT”). Additionally, we offer manufacturer specific advanced training (“MSAT”) programs, including student-paid electives, at our campuses and manufacturer or dealer sponsored training at certain campuses and dedicated training centers.

We work closely with over 35 original equipment manufacturers and industry brand partners to understand their needs for qualified service professionals. Revenues generated from our schools consist primarily of tuition and fees paid by students. To pay for a substantial portion of their tuition, the majority of students rely on funds received from federal financial aid programs under Title IV Programs of the Higher Education Act of 1965, as amended (“HEA”), as well as from various veterans’ benefits programs. For further discussion, see Note 21 on “Government Regulation and Financial Aid” included in our [2021 Annual Report on Form 10-K](#) filed with the SEC on December 2, 2021 (the “2021 Annual Report on Form 10-K”).

We offer the majority of our programs in a blended learning model that combines instructor-facilitated online teaching and demonstrations with hands-on labs. This blended learning format has allowed us to continue to offer our programs to our students during the COVID-19 pandemic and aligns with an increasing trend of online education being offered as individuals seek more flexibility and life-long learning opportunities. On-campus labs are designed to meet or exceed the current national guidelines recommended by the Centers for Disease Control (“CDC”) as well as state and local mandates, while still meeting our accreditation and curriculum requirements.

Note 2 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, our condensed consolidated financial statements do not include all the information and footnotes required by GAAP for complete financial statements. Normal and recurring adjustments considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the six months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending September 30, 2022. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our [2021 Annual Report on Form 10-K](#).

The unaudited condensed consolidated financial statements include the accounts of Universal Technical Institute, Inc. and our wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Other than described below, there have been no material changes or developments in our significant accounting policies or evaluation of accounting estimates and underlying assumptions or methodologies from those disclosed in Note 2 of our [2021 Annual Report on Form 10-K](#).

New Significant Accounting Policy for Goodwill and Intangible Assets

We test goodwill and indefinite-lived intangible assets for impairment annually as of August 1, or more frequently if events and circumstances warrant. Under ASC 350, *Intangibles - Goodwill and Other*, to evaluate the impairment of goodwill, we first assess qualitative factors, such as deterioration in the operating performance of the acquired business, adverse market conditions, adverse changes in the applicable laws or regulations and a variety of other circumstances, to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. To evaluate the impairment of the indefinite-lived intangible assets, we assess the fair value of the assets to determine whether they were greater or less than

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

the carrying values. If we conclude that it is more likely than not that the fair value is less than the carrying amount based on our qualitative assessment, or that a qualitative assessment should not be performed, we proceed with the quantitative impairment tests to compare the estimated fair value of the reporting unit to the carrying value of its net assets. Determining the fair value of indefinite-lived intangible assets is judgmental in nature and involves the use of significant estimates and assumptions. We believe the most critical assumptions and estimates in determining the estimated fair value of our reporting units include, but are not limited to, future tuition revenues, operating costs, working capital changes, capital expenditures and a discount rate. The assumptions used in determining our expected future cash flows consider various factors such as historical operating trends particularly in student enrollment and pricing and long-term operating strategies and initiatives. There were no indicators of impairment for our goodwill or indefinite-lived intangible assets as of March 31, 2022.

We also have definite-lived intangible assets, which primarily consist of purchased intangibles and capitalized curriculum development costs. The definite-lived intangible assets are recognized at cost less accumulated amortization. Amortization is computed using the straight-line method based on estimated useful lives of the related assets.

See Note 8 and Note 9 for additional details on our goodwill and intangible assets.

Reclassifications

Due to the acquisition of MIAT on November 1, 2021, which is described in further detail in Note 4, we added a new line to the condensed consolidated balance sheet: "Intangible Assets." We have presented the intangible assets arising from the MIAT acquisition as well as the previously recorded intangible assets in this line. As of September 30, 2021, \$ 0.1 million of intangible assets was reclassified from "Other assets" to "Intangible assets" on the condensed consolidated balance sheet for comparable presentation.

Note 3 - Recent Accounting Pronouncements

Effective in Fiscal 2022

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. We have evaluated the new guidance and determined that there is no material impact on our results of operations, financial condition or financial statement disclosures.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"). The amendments in ASU 2021-08 require that an entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts from Customers* ("ASC 606"). At the acquisition date, an acquirer should account for the related revenue contracts in accordance with ASC 606 as if it had originated the contracts. To achieve this, an acquirer may assess how the acquiree applied ASC 606 to determine what to record for the acquired revenue contracts. Generally, this should result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements (if the acquiree financial statements were prepared in accordance with generally accepted accounting principles). For public business entities, the amendments in ASU 2021-08 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption of ASU 2021-08 is permitted, including adoption in an interim period. An entity that early adopts in an interim period should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. Due to the MIAT acquisition on November 1, 2021, we have elected to early adopt ASU 2021-08 as of October 1, 2021 and have applied the guidance in ASU 2021-08 to the deferred revenue recorded for MIAT. See Note 4 for further information on the acquisition of MIAT.

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Other

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* (“ASU 2020-04”), which provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions affected by reference rate reform, if certain criteria are met. This new guidance only applies to contracts and other transactions that reference London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued due to reference rate reform. An entity may elect to apply the amendments for contract modifications as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. The amendments in ASU 2020-04 do not apply to contract modifications made after December 31, 2022. Given the interest rate for our term loan (which is further described in Note 13) references LIBOR, we are currently evaluating the new reference rate reform practical expedients and will consider adopting this guidance when we are required to modify our contract for the discontinuation of LIBOR.

Note 4 - Acquisition of MIAT College of Technology

On November 1, 2021, we completed the acquisition contemplated by the previously announced Stock Purchase Agreement (the “Purchase Agreement”), dated March 29, 2021, by and among UTI, HCP Ed Holdings, LLC, a Delaware limited liability company (“Seller”), HCP Ed Holdings, Inc., a Delaware corporation and wholly owned subsidiary of Seller (“HCP”), and Michigan Institute of Aeronautics, Inc. d/b/a MIAT, a Michigan corporation and wholly subsidiary of HCP. MIAT is a post-secondary school that offers vocational and technical certificates and degrees across aviation maintenance, energy technology, wind energy technology, robotics and automation, non-destructive testing, heating ventilation air conditioning and refrigeration (“HVACR”), and welding disciplines. HCP is MIAT’s holding company that owns no assets other than the issued and outstanding shares of MIAT.

The acquisition is part of our growth and diversification strategy and will allow us to expand MIAT programs throughout UTI brand campuses and extend UTI’s presence and programs into the Canton, MI market where MIAT has been for over 50 years. Other expected synergies include operating and purchasing cost efficiencies and broadening the opportunity for student growth at the acquired MIAT campuses by leveraging our high school and national marketing and admissions infrastructure.

Under the terms of the Purchase Agreement, we acquired all of the issued and outstanding shares of capital stock of HCP from the Seller for \$ 26.0 million base purchase price plus \$ 2.8 million working capital surplus for total cash consideration paid of \$ 28.8 million. As a result, HCP is now a wholly-owned subsidiary of UTI and MIAT remains as a wholly-owned subsidiary of HCP. The consideration paid was funded by available operating cash.

In connection with this acquisition, we incurred total transaction costs of \$ 1.6 million of which \$ 0.8 million were incurred during the six months ended March 31, 2022 and \$ 0.8 million during the year ended September 30, 2021. In both periods, these costs are included in “Selling, general and administrative” expenses in the condensed consolidated statements of operations. The results of operations for MIAT were not material to our condensed consolidated statement of operations for the three and six months ended March 31, 2022.

Under the acquisition method of accounting, the total purchase price was allocated to the identifiable assets acquired and the liabilities assumed based on our preliminary valuation estimates of the fair values as of the acquisition date. During the three months ended March 31, 2022, adjustments were made related to the acquired deferred tax liabilities, right-of-use assets for operating leases and other assets, which adjusted the value of the goodwill acquired. The acquisition accounting allocation is based upon the information available as of the date of this filing and there could be further adjustments related to taxes as we continue our analysis under the provisions of ASC 805 which allows companies one year to complete acquisition related adjustments, which may result in potential adjustments to the carrying value of the respective recorded assets and liabilities, and the determination of any residual amount that will be allocated to goodwill.

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The adjusted allocation of the purchase price at November 1, 2021 is summarized as follows:

Assets acquired:	
Cash and cash equivalents	\$ 2,301
Accounts receivable, net	3,230
Prepaid expenses	268
Other current assets	507
Property and equipment	3,043
Goodwill	8,637
Intangible assets	16,200
Right-of-use assets for operating leases	14,979
Other assets	314
Total assets acquired	<u>\$ 49,479</u>
Less: Liabilities assumed	
Accounts payable and accrued expenses	\$ 1,720
Deferred revenue	1,843
Operating lease liability, current portion	817
Deferred tax liabilities, net	1,975
Operating lease liability	14,216
Other liabilities	93
Total liabilities assumed	<u>20,664</u>
Net assets acquired	<u>\$ 28,815</u>

The goodwill of \$ 8.6 million arising from the acquisition consists largely of the growth and operating synergies expected from integrating MIAT into UTI. The total amount of goodwill expected to be deductible for tax purposes is approximately \$ 0.6 million. See Note 8 for additional details on goodwill.

The purchase price allocation requires subjective estimates that, if incorrectly estimated, could be material to our consolidated financial statements including the amount of depreciation and amortization expense. The fair value of the tangible assets was estimated using the cost approach. The intangible assets acquired, which primarily consists of the accreditations and regulatory approvals, trademarks and trade names, and curriculum, were valued using different valuation techniques depending upon the nature of the intangible asset acquired. The accreditations and regulatory approvals were valued using the multiperiod excess earnings method (“MPEEM”) under the income approach. The MPEEM is a variation of discounted cash-flow analysis. Rather than focusing on the whole entity, the MPEEM isolates the cash flows that can be associated with a single intangible asset and measures fair value by discounting them to present value. The trademarks and trade names were valued using the relief from royalty method. The value of the trade name encompasses all items necessary to generate revenue utilizing the trade name. The curriculum was valued using the cost approach. See Note 9 for further details on the intangible assets recorded. As previously discussed in Note 3, we early adopted ASU 2021-08 and applied the new guidance when recording the initial deferred revenue.

Pro forma financial information is not presented as the fiscal 2021 revenues and earnings of MIAT are not material to our condensed consolidated statements of operations. MIAT’s principal business is providing postsecondary education and is included in our “Postsecondary Education” reporting unit disclosed in Note 19 on Segments. MIAT’s corporate expenses are allocated to “Postsecondary Education” and the “Other” category based on compensation expense.

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Note 5 - Revenue from Contracts with Customers*Nature of Goods and Services**Postsecondary Education*

Revenues consist primarily of student tuition and fees derived from the programs we provide after reductions are made for discounts and scholarships that we sponsor and for refunds for students who withdraw from our programs prior to specified dates. We apply the five-step model outlined in ASC 606. Tuition and fee revenue is recognized ratably over the term of the course or program offered. The majority of our UTI programs are designed to be completed in 36 to 90 weeks while our MIAT programs are completed in 30 to 104 weeks. Our advanced training programs range from 12 to 23 weeks in duration. We supplement our revenues with sales of textbooks and program supplies and other revenues, which are recognized as the transfer of goods or services occurs. Deferred revenue represents the excess of tuition and fee payments received as compared to tuition and fees earned and is reflected as a current liability in our condensed consolidated balance sheets because it is expected to be earned within the next 12 months.

Additionally, certain students participate in a proprietary loan program that extends repayment terms for their tuition. We purchase said loans from the lender and, based on historical collection rates, believe a portion of these loans are collectible. Accordingly, we recognize tuition and loan origination fees financed by the loan and any related interest revenue under the effective interest method required under the loan based on the amount we expect to collect, and we recognize these revenues ratably over the term of the course or program offered.

Other

We provide dealer technician training or instructor staffing services to manufacturers. Revenues are recognized as transfer of the services occurs.

We provide postsecondary education and other services in the same geographical market, the United States. The impact of economic factors on the nature, amount, timing and uncertainty of revenue and cash flows is consistent among our various postsecondary education programs. See Note 19 for disaggregated segment revenue information.

Contract Balances

Contract assets primarily relate to our rights to consideration for a student's progress through our training program in relation to our services performed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional. Currently, we do not have any contract assets that have not transferred to a receivable. Our deferred revenue is considered a contract liability and primarily relates to our enrollment agreements where we received payments for tuition, but we have not yet delivered the related training programs to satisfying the related performance obligations. The advance consideration received from students or Title IV funding is deferred revenue until the training program has been delivered to the students.

The following table provides information about receivables and deferred revenue resulting from our enrollment agreements with students:

	March 31, 2022	September 30, 2021
Receivables, which includes tuition and notes receivable	\$ 45,601	\$ 46,489
Deferred revenue	42,010	57,648

During the six months ended March 31, 2022, the deferred revenue balance included decreases for revenues recognized during the period and increases related to new students who started their training programs during the period.

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Note 6 - Fair Value Measurements

The accounting framework for determining fair value includes a hierarchy for ranking the quality and reliability of the information used to measure fair value, which enables the reader of the financial statements to assess the inputs used to develop those measurements. The fair value hierarchy consists of three tiers:

Level 1: Defined as quoted market prices in active markets for identical assets or liabilities.

Level 2: Defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Defined as unobservable inputs that are not corroborated by market data.

Any transfers of investments between levels occurs at the end of the reporting period. Assets measured or disclosed at fair value on a recurring basis consisted of the following:

	Fair Value Measurements Using			
	March 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds ⁽¹⁾	\$ 57,109	\$ 57,109	\$ —	\$ —
Notes receivable ⁽²⁾	36,283	—	—	36,283
Total assets at fair value on a recurring basis	\$ 93,392	\$ 57,109	\$ —	\$ 36,283

	Fair Value Measurements Using			
	September 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds ⁽¹⁾	\$ 62,100	\$ 62,100	\$ —	\$ —
Notes receivable ⁽²⁾	36,124	—	—	36,124
Total assets at fair value on a recurring basis	\$ 98,224	\$ 62,100	\$ —	\$ 36,124

(1) Money market funds and other highly liquid investments with maturity dates less than 90 days are reflected as “Cash and cash equivalents” in our condensed consolidated balance sheet as of March 31, 2022 and September 30, 2021.

(2) Notes receivable relate to our proprietary loan program.

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Note 7 - Property and Equipment, net

Property and equipment, net consisted of the following:

	Depreciable Lives (in years)	March 31, 2022	September 30, 2021
Land	—	\$ 16,555	\$ 8,355
Buildings and building improvements	3 - 35	118,335	71,036
Leasehold improvements	1 - 28	71,544	63,502
Training equipment	3 - 10	92,261	91,191
Office and computer equipment	3 - 10	32,016	31,718
Curriculum development	5	19,692	19,692
Software developed for internal use	1 - 5	11,887	12,524
Vehicles	5	1,431	1,436
Right-of-use assets for finance leases	2 - 3	215	215
Construction in progress	—	19,587	10,171
		<u>383,523</u>	<u>309,840</u>
Less: Accumulated depreciation and amortization		(190,439)	(187,789)
		<u>\$ 193,084</u>	<u>\$ 122,051</u>

Depreciation expense related to property and equipment was \$ 3.9 million and \$ 7.5 million for the three and six months ended March 31, 2022, respectively, and \$ 3.5 million and \$ 6.8 million for the three and six months ended March 31, 2021, respectively.

Acquisition of Lisle

On February 11, 2022, we completed the acquisition of 2611 Corporate West Drive Venture LLC (“2611”) which owns our Lisle, Illinois campus (the “Lisle Campus”). Prior to the acquisition, we had a 28 % interest in 2611 through our unconsolidated affiliate, as described in Note 10, and previously leased the campus from 2611. The total cash consideration paid, including transaction related costs, for the remaining 72 % interest in 2611 was \$ 28.4 million. In addition to the cash consideration paid, we assumed \$ 18.3 million in debt for a loan agreement with a third-party bank that is secured by a mortgage on the Lisle Campus. The total net assets recorded for the transaction equaled \$ 33.0 million, of which \$ 8.2 million was allocated to land, \$ 43.1 million was allocated to buildings, and \$ 18.3 million was allocated to debt. Additionally, prior to the acquisition of 2611, there was \$ 4.0 million in leasehold improvements recorded for the Lisle Campus which we have reclassified to building and building improvements.

Note 8 - Goodwill

Our goodwill balance of \$ 16.9 million as of March 31, 2022 represents the excess of the cost of an acquired business over the estimated fair values of the assets acquired and liabilities assumed. The changes in the carrying value of goodwill are presented in the table below.

	March 31, 2022	September 30, 2021
Balance at beginning of period	\$ 8,222	\$ 8,222
Additions to Goodwill for acquisition of MIAT	8,637	—
Balance at end of period	<u>\$ 16,859</u>	<u>\$ 8,222</u>

Of the \$ 16.9 million recorded as goodwill as of March 31, 2022, \$ 8.2 million resulted from the acquisition of our motorcycle and marine education business in Orlando, Florida in 1998 and \$ 8.6 million relates to the acquisition of MIAT as of November 1, 2021 as previously described in Note 4. All of the goodwill relates to our Postsecondary Education reportable operating segment.

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Goodwill is reviewed at least annually for impairment, which may result from the deterioration in the operating performance of the acquired businesses, adverse market conditions, adverse changes in applicable laws or regulations and a variety of other circumstances. Historically, this testing has been performed as of September 30 of each fiscal year. Effective as of October 1, 2021, we determined that our goodwill will be tested annually for impairment as of August 1 and more frequently if events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. We do not consider this change to be material and believe that the timing is preferable as it allows additional time to complete the annual assessment in advance of the annual reporting deadline. This change in assessment date did not delay, accelerate, or cause avoidance of a potential impairment charge. There were no indicators of goodwill impairment as of March 31, 2022.

Note 9 - Intangible Assets

The following table provides the gross carrying value, accumulated amortization, net book value and remaining useful life for intangible assets subject to amortization as of March 31, 2022:

	Gross Carrying Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (Years)
Accreditations and regulatory approvals - MIAT	\$ 12,800	\$ —	\$ 12,800	Indefinite
Trademarks and trade names - MIAT	3,000	—	3,000	Indefinite
Curriculum - MIAT	400	(33)	367	4.58
Non-compete agreement and trade name	442	(336)	106	3.08
Total	<u>\$ 16,642</u>	<u>\$ (369)</u>	<u>\$ 16,273</u>	<u>4.23</u>

Of the \$ 16.6 million gross carrying value recorded as intangible assets as of March 31, 2022, \$ 16.2 million relates to the MIAT acquisition completed on November 1, 2021 as previously described in Note 4. The remaining weighted average useful lives shown are calculated based on the net book value and remaining amortization period of each respective intangible asset. Amortization is computed using the straight-line method based on estimated useful lives of the related assets. Amortization expense related to finite-lived intangible assets was \$ 51.1 thousand and \$ 17.7 thousand for the six months ended March 31, 2022 and 2021, respectively.

As discussed in our new significant accounting policy on intangible assets in Note 2, our indefinite-lived intangible assets are reviewed at least annually for impairment as of August 1, or more frequently if there are indicators of impairment. There were no indicators of impairment for our indefinite-lived intangible assets as of March 31, 2022.

Note 10 - Investment in Unconsolidated Affiliate

In 2012, we invested \$ 4.0 million to acquire an equity interest of approximately 28 % in a joint venture (“JV”) related to the lease of the Lisle Campus. As discussed in Note 7, in February 2022, this JV was dissolved and we acquired the building, land and debt associated with this campus through the acquisition of the 2611 entity.

Investment in unconsolidated affiliate consisted of the following and is included within “Other assets” on our condensed consolidated balance sheets:

	March 31, 2022		September 30, 2021	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Investment in JV	\$ —	— %	\$ 4,627	28.0 %

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Investment in unconsolidated affiliate included the following activity during the period:

	Six Months Ended March 31,	
	2022	2021
Balance at beginning of period	\$ 4,627	\$ 4,494
Equity in earnings of unconsolidated affiliate	113	215
Return of capital contribution from unconsolidated affiliate	(188)	(150)
Dissolution of unconsolidated affiliate	(4,552)	—
Balance at end of period	<u>\$ —</u>	<u>\$ 4,559</u>

Note 11 - Leases

As of March 31, 2022, we leased 10 of our 14 currently operating campuses, two future campuses and our corporate headquarters under non-cancelable operating leases, some of which contain escalation clauses and requirements to pay other fees associated with the leases. The facility leases have original lease terms ranging from 8 to 20 years and expire at various dates through 2036. In addition, the leases commonly include lease incentives in the form of rent abatements and tenant improvement allowances. We sublease certain portions of unused building space to third parties, which as of March 31, 2022, resulted in minimal income. All of the leases, other than those that may qualify for the short-term scope exception of 12 months or less, are recorded on our condensed consolidated balance sheets.

As previously discussed in Note 7, in February 2022 we purchased the 2611 entity which owns the Lisle Campus. While the lease for the Lisle Campus remains in place between the 2611 and UTI of Illinois, LLC entities, at the UTI, Inc consolidated level, the right-of-use asset and the operating lease liability for this campus were settled, resulting in a gain on settlement of \$ 1.6 million which has been included within “Educational services and facilities” on our condensed consolidated statement of operations for the three and six months ended March 31, 2022.

Some of the facility leases are subject to annual changes in the Consumer Price Index (“CPI”). While lease liabilities are not remeasured as a result of changes to the CPI, changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred. Many of our lease agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. There are no early termination with penalties, residual value guarantees, restrictions or covenants imposed by our facility leases.

The components of lease expense are included in “Educational services and facilities” and “Selling, general and administrative” on the condensed consolidated statement of operations, with the exception of interest on lease liabilities, which is included in “Interest expense.”

The components of lease expense during the three and six months ended March 31, 2022 and 2021 were as follows:

Lease Expense	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Operating lease expense ⁽¹⁾	\$ 6,371	\$ 5,458	\$ 12,734	\$ 11,590
Finance lease expense:				
Amortization of leased assets	18	33	36	65
Interest on lease liabilities	—	1	1	3
Variable lease expense	1,382	950	2,473	1,857
Sublease income	(31)	(123)	(90)	(246)
Total net lease expense	<u>\$ 7,740</u>	<u>\$ 6,319</u>	<u>\$ 15,154</u>	<u>\$ 13,269</u>

(1) Excludes the expense for short-term leases not accounted for under ASC 842, which was not significant for the three and six months ended March 31, 2022 and 2021.

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Supplemental balance sheet, cash flow and other information related to our leases was as follows (in thousands, except lease term and discount rate):

Leases	Classification	March 31, 2022	September 30, 2021
Assets:			
Operating lease assets	Right-of-use assets for operating leases ⁽¹⁾	\$ 141,736	\$ 159,075
Finance lease assets	Property and equipment, net ⁽²⁾	58	94
Total leased assets		<u>\$ 141,794</u>	<u>\$ 159,169</u>
Liabilities:			
Current			
Operating lease liabilities	Operating lease liability, current portion ⁽¹⁾	\$ 12,940	\$ 14,075
Finance lease liabilities	Long-term debt, current portion	60	73
Noncurrent			
Operating lease liabilities	Operating lease liability ⁽¹⁾	137,635	153,228
Finance lease liabilities	Long-term debt	—	23
Total lease liabilities		<u>\$ 150,635</u>	<u>\$ 167,399</u>

- (1) As noted above, during the six months ended March 31, 2022, our right-of-use assets and operating lease liability decreased due to the purchase of the Lisle Campus and the settlement of the existing lease.
- (2) Finance lease assets are recorded net of accumulated amortization of \$ 0.2 million and \$ 0.1 million as of March 31, 2022 and September 30, 2021, respectively.

Lease Term and Discount Rate	March 31, 2022	September 30, 2021
Weighted-average remaining lease term (in years):		
Operating leases	9.25	9.37
Finance leases	0.82	1.32
Weighted average discount rate:		
Operating leases	3.96 %	4.31 %
Finance leases	3.08 %	3.08 %

Supplemental Disclosure of Cash Flow Information and Other Information	Six Months Ended March 31,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 6,962	\$ 9,159
Financing cash flows from finance leases	36	64
Non-cash activity related to lease liabilities:		
Lease assets obtained in exchange for new operating lease liabilities ⁽¹⁾	\$ 6,241	\$ 11,105

- (1) Excludes the operating leases recorded for the MIAT acquisition discussed in Note 4.

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Maturities of lease liabilities were as follows:

Years ending September 30,	As of March 31, 2022	
	Operating Leases	Finance Leases
Remainder of 2022	\$ 6,923	\$ 37
2023	19,744	24
2024	19,531	—
2025	19,800	—
2026	19,565	—
2027 and thereafter	94,518	—
Total lease payments	180,081	61
Less: interest	(29,506)	(1)
Present value of lease liabilities	150,575	60
Less: current lease liabilities	(12,940)	(60)
Long-term lease liabilities	\$ 137,635	\$ —

Note 12 - Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	March 31, 2022	September 30, 2021
Accounts payable	\$ 9,070	\$ 13,702
Accrued compensation and benefits	29,545	29,506
Other accrued expenses	16,532	11,189
Total accounts payable and accrued expenses	\$ 55,147	\$ 54,397

Note 13 - Debt

	March 31, 2022			September 30, 2021
	Interest Rate	Maturity Date	Carrying Value of Debt ⁽⁴⁾	Carrying Value of Debt ⁽⁴⁾
Avondale Term Loan ⁽¹⁾	2.46 %	May 2028	\$ 30,489	\$ 30,886
Lisle Term Loan	5.29 %	Nov 2031	18,106	—
Finance leases ⁽²⁾	3.08 %	Various	60	96
Total debt			48,655	30,982
Debt issuance costs presented with debt ⁽³⁾			(236)	(256)
Total debt, net			48,419	30,726
Less: current portion of long-term debt			(2,374)	(876)
Long-term debt			\$ 46,045	\$ 29,850

- (1) Interest on the Avondale Term Loan (as defined below) accrues at annual rate equal to the LIBOR plus 2.0 %.
- (2) Our finance leases include finance lease arrangements related to various equipment with a weighted-average annual interest rate of approximately 3.08 %, which mature in varying installments between 2022 and 2023. See Note 11 for additional details on our finance leases.
- (3) The unamortized debt issuance costs as of March 31, 2022 and September 30, 2021 relate entirely to the Avondale Term Loan.
- (4) Our term loans and finance leases bear interest at rates commensurate with market rates and therefore the respective carrying values approximate fair value (Level 2).

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Avondale Term Loan

In connection with the Avondale, Arizona building purchase in December 2020, we entered into a Credit Agreement with Fifth Third Bank, National Association (the “Avondale Lender”) on May 12, 2021 in the maximum principal amount of \$ 31.2 million with a maturity of seven years (the “Avondale Term Loan”). The Avondale Term Loan bears interest at the rate of LIBOR plus 2.0 %. Principal and interest payments are due monthly. The Avondale Term Loan is secured by a first priority lien on our Avondale, Arizona property, including all land and improvements. Additionally, on May 12, 2021, we entered into an interest rate swap agreement with the Avondale Lender that effectively fixes the interest rate on 50 % of the principal amount of the Avondale Term Loan, or approximately \$ 15.6 million, at 3.5 % for the entire loan term. See Note 14 below for further discussion on the interest rate swap.

Lisle Term Loan

As discussed in Note 7, in connection with the Lisle Campus purchase, we assumed a Loan Agreement with Western Alliance Bank on February 14, 2022 in the principal amount of \$ 18.3 million, maturing in October 2031 (the “Lisle Term Loan”). The Lisle Term Loan bears interest at the rate of 5.293 %. Principal and interest payments are due monthly. The Lisle Term Loan is secured by a first priority lien on the Lisle Campus, including all land and improvements. In April 2022, this term loan was repaid in full, as discussed in Note 22 on “Subsequent Events”.

Debt Covenants

We are subject to certain customary affirmative and negative covenants in connection with our term loans, including, without limitation, certain reporting obligations, certain limitations on restricted payments, limitations on liens, encumbrances and indebtedness and a debt service coverage ratio covenant. Events of default under the Lisle Term Loan include, among others, the failure to make payments when due, breach of covenants, and breach of representations or warranties. For further discussion of our Avondale Term Loan debt covenants, see Note 12 on “Debt” included in our [2021 Annual Report on Form 10-K](#). As of March 31, 2022, we were in compliance with all debt covenants.

Debt Maturities

Scheduled principal payments due on our debt for the remainder of 2022 and for each year through the period ended September 30, 2026, and thereafter were as follows at March 31, 2022:

Maturity	Term Loans	Finance Leases	Total
Remainder of 2022	\$ 1,141	\$ 36	\$ 1,177
2023	2,370	24	2,394
2024	2,481	—	2,481
2025	2,604	—	2,604
2026	2,730	—	2,730
Thereafter	37,269	—	37,269
Subtotal	48,595	60	48,655
Debt issuance costs presented with debt	(236)	—	(236)
Total	\$ 48,359	\$ 60	\$ 48,419

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Note 14- Derivative Financial Instruments

In the normal course of business, our operations are exposed to market risks, including the effect of changes in interest rates. We may enter into derivative financial instruments to offset these underlying market risks.

On May 12, 2021, in connection with the Avondale Term Loan discussed in Note 13, we entered into an interest rate swap agreement with the Avondale Lender that effectively fixes the interest rate on 50 % of the principal amount of the Avondale Term Loan, or approximately \$ 15.6 million, at 3.5 % for the entire loan term, or seven years (the “Swap”). On May 12, 2021, the Swap was designated as an effective cash flow hedge for accounting and tax purposes.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in “Accumulated other comprehensive income (loss)” on the condensed consolidated balance sheets. For cash flow hedges, we report the effective portion of the gain or loss as a component of “Accumulated other comprehensive income (loss)” and reclassify it to “Interest expense” in the condensed consolidated statements of operations over the corresponding period of the underlying hedged item. The ineffective portion of the change in fair value of a derivative financial instrument is recognized in “Interest expense” at the time the ineffectiveness occurs. To the extent the hedged forecasted interest payments on debt related to our interest rate swap is paid off, the remaining balance in “Accumulated other comprehensive income (loss)” is recognized in “Interest expense” in the condensed consolidated statements of operations. Of the net amount of the existing losses that are reported in “Accumulated other comprehensive income (loss)” as of March 31, 2022, we estimate that \$ 0.1 million will be reclassified to “Interest expense” within the next twelve months. As of March 31, 2022, the notional amount of our Swap was approximately \$ 15.3 million.

Fair Value of Derivative Instruments

The following table presents the fair value of our Swap (Level 2) which is designated as a cash flow hedge and the related classification on the condensed consolidated balance sheet as of March 31, 2022:

	Interest Rate Swap
Other current assets	\$ 28
Other assets	\$ 727
Total fair value of assets designated as hedging instruments	\$ 755

Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Income (Loss)

The table below presents the effect of cash flow hedge accounting for our Swap on “Accumulated other comprehensive income (loss)” as of March 31, 2022:

	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivative	Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income
Three Months Ended March 31, 2022			
Interest Rate Swap	\$ 810	Interest expense	\$ (51)
Six Months Ended March 31, 2022			
Interest Rate Swap	\$ 927	Interest expense	\$ (107)

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Effect of Cash Flow Hedge Accounting on the Condensed Consolidated Statement of Operations

The table below presents the effect of cash flow hedge accounting for our Swap on the condensed consolidated statement of operations for the six months ended March 31, 2022:

Interest Rate Swap	Interest Expense
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income	\$ (107)

Note 15 - Income Taxes

Our income tax benefit for the three months ended March 31, 2022 was \$ 4.6 million, or (166.8)% of pre-tax income, compared to income tax benefit of \$ 34 thousand, or 2.2 % of pre-tax loss, for the three months ended March 31, 2021. For the six months ended March 31, 2022, our income tax benefit was \$ 5.9 million, or (36.6)% of pre-tax income, compared to \$ 8 thousand, or 1.7 % of pre-tax loss, for the six months ended March 31, 2021. The effective income tax rate in each period differed from the federal statutory tax rate of 21% primarily as a result of changes in the valuation allowance and state taxes. The income tax benefit recorded during the three and six months ended March 31, 2021 is primarily comprised of the benefit related to the release of a majority of the valuation allowance (as discussed further below), which includes the valuation allowance impact related to the MIAT deferred tax liability for indefinite lived intangibles which are available to offset a portion of our indefinite lived deferred tax assets, offset by current state tax expense.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. During the second quarter of 2022, based in part on our sustained positive earnings in recent quarters, we have determined that there is sufficient evidence to meet the more likely than not realizability threshold and support the reversal of a majority of the previously recorded valuation allowance against our deferred tax assets as of March 31, 2022. The release of the valuation allowance resulted in the recognition of certain deferred tax assets on the condensed consolidated balance sheet and a non-cash tax benefit recorded in the condensed consolidated statement of operations for the period. As of March 31, 2022, we continued to maintain a valuation allowance related to certain federal and state attributes which are not expected to be utilized prior to expiration.

Note 16 - Commitments and Contingencies

Legal

In the ordinary conduct of our business, we are periodically subject to lawsuits, demands in arbitration, investigations, regulatory proceedings or other claims, including, but not limited to, claims involving current or former students, routine employment matters, business disputes and regulatory demands. When we are aware of a claim or potential claim, we assess the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, we accrue a liability for the loss. When a loss is not both probable and estimable, we do not accrue a liability. Where a loss is not probable but is reasonably possible, including if a loss in excess of an accrued liability is reasonably possible, we determine whether it is possible to provide an estimate of the amount of the loss or range of possible losses for the claim. Because we cannot predict with certainty the ultimate resolution of the legal proceedings (including lawsuits, investigations, regulatory proceedings or claims) asserted against us, it is not currently possible to provide such an estimate. The ultimate outcome of pending legal proceedings to which we are a party may have a material adverse effect on our business, cash flows and results of operations or financial condition.

We received a January 18, 2022 letter from the Consumer Financial Protection Bureau (“CFPB”) explaining that it was assessing whether UTI “is subject to the CFPB’s supervisory authority based on its activities related to student lending.” The CFPB’s letter then requested certain information about extensions of credit to UTI students; generally explained the source and scope of the CFPB’s regulatory authority; and advised that, after it reviewed the requested materials, the CFPB “anticipates providing guidance regarding whether UTI is subject to CFPB’s supervisory authority.” We have provided the requested information and are awaiting further guidance, if any, from the CFPB.

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Note 17 - Shareholders' Equity

Common Stock

Holders of our common stock are entitled to receive dividends when and as declared by our Board of Directors and have the right to one vote per share on all matters requiring shareholder approval. On June 9, 2016, our Board of Directors voted to eliminate the quarterly cash dividend on our common stock. Any future common stock dividends require the approval of a majority of the voting power of the Series A Preferred Stock.

Preferred Stock

Preferred Stock consists of 10,000,000 authorized preferred shares of \$ 0.0001 par value each. As of March 31, 2022 and September 30, 2021, 700,000 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") were issued and outstanding. The liquidation preference associated with the Series A Preferred Stock was \$ 100 per share at March 31, 2022 and September 30, 2021.

Pursuant to the terms of the Certificate of Designations of the Series A Preferred Stock, we may pay a cash dividend on each share of the Series A Preferred Stock at a rate of 7.5 % per year on the liquidation preference then in effect ("Cash Dividend"). If we do not pay a Cash Dividend, the liquidation preference shall be increased to an amount equal to the current liquidation preference in effect plus an amount reflecting that liquidation preference multiplied by the Cash Dividend rate then in effect plus 2.0 % per year ("Accrued Dividend"). Cash Dividends are payable semi-annually in arrears on September 30 and March 31 of each year, and begin to accrue on the first day of the applicable dividend period. We paid Cash Dividends of \$ 2.6 million during the three months ended March 31, 2022.

Given our current earnings and anticipated future earnings, along with share price of the Company's common stock based upon trading activity during the quarter and subsequent to quarter end, we believe that there is a reasonable possibility that within the next 12 months, we may be eligible, at our option and subject to obtaining any required stockholder and regulatory approvals, to require that any or all of the then outstanding Series A Preferred Stock be automatically converted into our common stock at the conversion rate. For further discussion of our preferred stock, including the potential for conversion into common stock, see Note 16 on "Shareholders' Equity" included in our [2021 Annual Report on Form 10-K](#).

Share Repurchase Program

On December 10, 2020, our Board of Directors authorized a new share repurchase plan that would allow for the repurchase of up to \$ 35.0 million of our common stock in the open market or through privately negotiated transactions. This new share repurchase plan replaced the previously authorized plan from fiscal 2012. Any repurchases under this new stock repurchase program require the approval of a majority of the voting power of our Series A Preferred Stock. We have not repurchased any shares under the share repurchase program, including during the six months ended March 31, 2022.

Note 18 - Earnings per Share

We calculate basic earnings per common share ("EPS") pursuant to the two-class method as a result of the issuance of the Series A Preferred Stock on June 24, 2016. Our Series A Preferred Stock is considered a participating security because, in the event that we pay a dividend or make a distribution on the outstanding common stock, we shall also pay each holder of the Series A Preferred Stock a dividend on an as-converted basis. The two-class method is an earnings allocation formula that determines EPS for common stock and participating securities according to dividend and participation rights in undistributed earnings. Under this method, all earnings, distributed and undistributed, are allocated to common shares and participating securities based on their respective rights to receive dividends. The Series A Preferred Stock is not included in the computation of basic EPS in periods in which we have a net loss, as the Series A Preferred Stock is not contractually obligated to share in our net losses.

Diluted EPS is calculated using the more dilutive of the two-class method or as-converted method. The two-class method uses net income available to common shareholders and assumes conversion of all potential shares other than the participating securities. The as-converted method uses net income and assumes conversion of all potential shares including the

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participating securities. Dilutive potential common shares include outstanding stock options, unvested restricted share units and convertible preferred stock. The basic and diluted weighted average shares outstanding are the same for the three and six months ended March 31, 2021 as a result of the net loss available to common shareholders and anti-dilutive impact of the potentially dilutive securities.

The following table summarizes the computation of basic and diluted EPS under the two-class or as-converted method, as well as the anti-dilutive shares excluded:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Basic earnings per common share:				
Net income (loss)	\$ 7,354	\$ (1,547)	\$ 22,176	\$ (464)
Less: Preferred stock dividend declared	(1,294)	(1,312)	(2,617)	(2,625)
Net income (loss) available for distribution	6,060	(2,859)	19,559	(3,089)
Income allocated to participating securities	(2,359)	—	(7,622)	—
Net income (loss) available to common shareholders	\$ 3,701	\$ (2,859)	\$ 11,937	\$ (3,089)
Weighted average basic shares outstanding	32,992	32,762	32,920	32,709
Basic income (loss) per common share	\$ 0.11	\$ (0.09)	\$ 0.36	\$ (0.09)
Diluted earnings per common share:				
<i>Method used:</i>	<i>Two-class</i>	<i>Two-class</i>	<i>Two-class</i>	<i>Two-class</i>
Net income (loss) available to common shareholders	\$ 3,701	\$ (2,859)	\$ 11,937	\$ (3,089)
Weighted average basic shares outstanding	32,992	32,762	32,920	32,709
Dilutive effect related to employee stock plans	444	—	473	—
Weighted average diluted shares outstanding	33,436	32,762	33,393	32,709
Diluted income (loss) per common share	\$ 0.11	\$ (0.09)	\$ 0.36	\$ (0.09)
Anti-dilutive shares excluded:				
Outstanding stock-based grants	355	467	444	677
Convertible preferred stock	21,021	21,021	21,021	21,021
Total anti-dilutive shares excluded	21,376	21,488	21,465	21,698
Dilutive shares under the as-converted method ⁽¹⁾	54,457	54,065	54,414	54,003

(1) The dilutive shares under the as-converted method assume conversion of the Series A Preferred Stock and are presented here merely for reference. In a net income position, diluted earnings per share is determined by the more dilutive of the two-class method or the as-converted method.

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Note 19 - Segment Information

Our principal business is providing postsecondary education. We also provide manufacturer-specific training, and these operations are managed separately from our campus operations. These operations do not currently meet the quantitative criteria for segments and therefore are reflected in the “Other” category. As discussed in Note 10, our JV was dissolved in February 2022. Prior to this change, our equity method investment and other non-postsecondary education operations were also included within the “Other” category. Corporate expenses are allocated to “Postsecondary Education” and the “Other” category based on compensation expense.

Summary information by reportable segment was as follows:

	Postsecondary Education	Other	Consolidated
Three Months Ended March 31, 2022			
Revenues	\$ 98,650	\$ 3,436	\$ 102,086
Income (loss) from operations	3,876	(499)	3,377
Depreciation and amortization ⁽¹⁾	3,857	27	3,884
Net income (loss)	7,853	(499)	7,354
Three Months Ended March 31, 2021			
Revenues	\$ 74,846	\$ 2,863	\$ 77,709
Loss from operations	(1,322)	(339)	(1,661)
Depreciation and amortization ⁽¹⁾	3,547	22	3,569
Net loss	(1,208)	(339)	(1,547)
Six Months Ended March 31, 2022			
Revenues	\$ 200,352	\$ 6,809	\$ 207,161
Income (loss) from operations	18,023	(1,068)	16,955
Depreciation and amortization ⁽¹⁾	7,511	52	7,563
Net income (loss)	23,244	(1,068)	22,176
Six Months Ended March 31, 2021			
Revenues	\$ 148,406	\$ 5,428	\$ 153,834
Loss from operations	(218)	(668)	(886)
Depreciation and amortization ⁽²⁾	6,805	46	6,851
Net income (loss)	204	(668)	(464)
As of March 31, 2022			
Total assets	\$ 514,105	\$ 3,248	\$ 517,353
As of September 30, 2021			
Total assets	\$ 504,934	\$ 7,636	\$ 512,570

(1) Includes depreciation of training equipment obtained in exchange for services of \$ 0.3 million and \$ 0.3 million for the three months ended March 31, 2022 and 2021 and \$ 0.5 million and \$ 0.6 million for the six months ended March 31, 2022 and 2021, respectively.

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Note 20 - Government Regulation and Financial Aid

As discussed at length in our [2021 Annual Report on Form 10-K](#), our institutions participate in a range of government-sponsored student assistance programs. The most significant of these is the federal student aid programs administered by the U.S. Department of Education (“ED”) pursuant to Title IV of the Higher Education Act (“HEA”), commonly referred to as the Title IV Programs. Generally, to participate in the Title IV Programs, an institution must be licensed or otherwise legally authorized to operate in the state where it is physically located, be accredited by an accreditor recognized by ED, be certified as an eligible institution by ED, offer at least one eligible program of education, and comply with other statutory and regulatory requirements. See “Part I, Item 1. Regulatory Environment” in our [2021 Annual Report on Form 10-K](#).

State Authorization

To operate and offer postsecondary programs, and to be certified to participate in Title IV Programs, each of our institutions must obtain and maintain authorization from the state in which it is physically located (“Home State”). To engage in recruiting activities outside of its Home State, each institution also may be required to obtain and maintain authorization from the states in which it is recruiting students. UTI is authorized to participate in the State Authorization Reciprocity Agreement (“SARA”). SARA is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of post-secondary distance education courses and programs. SARA is overseen by a national council (NC-SARA) and administered by four regional education compacts. As of September 1, 2021, all states other than California are members of SARA. Each of our institutions holds the state or SARA authorizations required to operate and offer postsecondary education programs in its Home State, and to recruit in the states in which it engages in recruiting activities.

The level of regulatory oversight varies substantially from state to state and is extensive in some states. State laws may establish standards for instruction, qualifications of faculty, location and nature of facilities and equipment, administrative procedures, marketing, recruiting, student outcomes reporting, disclosure obligations to students, limitations on mandatory arbitration clauses in enrollment agreements, financial operations, and other operational matters. Some states prescribe standards of financial responsibility and mandate that institutions post surety bonds. Many states have requirements for institutions to disclose institutional data to current and prospective students, as well as to the public, and some states require that our schools meet prescribed performance standards as a condition of continued approval. States can and often do revisit, revise, and expand their regulations governing postsecondary education and recruiting.

Accreditation

Accreditation is a non-governmental process through which an institution voluntarily submits to ongoing qualitative reviews by an organization of peer institutions. Institutional accreditation by an ED-recognized accreditor is required for an institution to be certified to participate in Title IV Programs. All of our institutions are accredited by the Accrediting Commission of Career Schools and Colleges (“ACCSC”), which is an accrediting agency recognized by ED. ACCSC reviews the academic quality of each institution’s instructional programs, as well as the administrative and financial operations of the institution to ensure that it has the resources necessary to perform its educational mission, implement continuous improvement processes, and support student success. Our institutions must submit annual reports, and at times, supplemental reports, to demonstrate ongoing compliance and improvement. ACCSC requires institutions to disclose certain institutional information to current and prospective students, as well as to the public, and requires that our schools and programs meet various performance standards as a condition of continued accreditation. Institutions must periodically renew their accreditation by completing a comprehensive renewal of accreditation process. See “Part I, Item 1. Regulatory Environment - Accreditation” in our [2021 Annual Report on Form 10-K](#) for further details and the current status of our campus accreditation.

Title IV Programs

The federal government provides a substantial part of its support for postsecondary education through Title IV Programs in the form of grants and loans to students who can use those funds at any institution that has been certified as eligible to participate by ED. All of our institutions are certified to participate in Title IV Programs. Significant factors relating to Title IV Programs that could adversely affect us include:

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- *The 90/10 Rule* . As a condition of participation in Title IV Programs, proprietary institutions must agree when they sign their PPA to comply with the “90/10 rule.” Under the current 90/10 rule, to remain eligible to participate in the federal student aid programs, a proprietary institution must derive at least 10% of its revenues for each fiscal year from sources other than Title IV Program funds. A proprietary institution is subject to sanctions if it exceeds the 90% level for a single year and loses its eligibility to participate in Title IV programs if it derives more than 90% of its revenue from Title IV Programs, as applicable, for two consecutive fiscal years. In 2021, President Biden signed into law the American Rescue Plan Act of 2021, which amended the 90/10 rule. Section 2013 of the Act amended the rule to require covered institutions to derive at least 10 percent of their revenue from sources other than “Federal education assistance funds.” The phrase “Federal education assistance funds” was broadly defined as “federal funds that are disbursed or delivered to or on behalf of a student to be used to attend such institution.” Congress directed ED to clarify the impact of this change with new regulations. In its most recent negotiated rulemaking, which concluded March 18, 2022, ED considered changes to the 90/10 regulations. After extensive discussion, on the final day the negotiators reached consensus on draft language, which means ED will very likely use the agreed upon language (or something close to it) in its proposed regulations. We are monitoring these proposed changes to the 90/10 rule, and will review and assess the impact of any proposed or final regulations promulgated by ED. These changes would take effect July 1, 2023, and would apply to any annual audit submission for a proprietary institution fiscal year beginning on or after January 1, 2023.
- *Administrative Capability*. To continue its participation in Title IV Programs, an institution must demonstrate that it remains administratively capable of providing the education it promises and of properly managing the Title IV Programs. ED assesses the administrative capability of each institution that participates in Title IV Programs under a series of standards listed in the regulations, which cover a wide range of operational and administrative topics, including the designation of capable and qualified individuals, the quality and scope of written procedures, the adequacy of institutional communication and processes, the timely resolution of issues, the sufficiency of recordkeeping, and the frequency of findings of noncompliance, to name a few. ED’s administrative capability standards also include thresholds and expectations for federal student loan cohort default rates (discussed below), satisfactory academic progress, and loan counseling. Failure to satisfy any of the standards may lead ED to find the institution ineligible to participate in Title IV Programs, require the institution to repay Title IV Program funds, change the method of payment of Title IV Program funds, place the institution on provisional certification as a condition of its continued participation or take other actions against the institution.
- *Three-Year Student Loan Default Rates*. To remain eligible to participate in Title IV Programs, institutions also must maintain federal student loan cohort default rates below specified levels. An institution whose three-year cohort default rate is 15% or greater for any one of the three preceding years is subject to a 30-day delay in receiving the first disbursement on federal student loans for first-time borrowers. As of September 30, 2021, only Universal Technical Institute of Texas was subject to a 30-day delay in receiving the first disbursement on federal student loans for first-time borrowers due to a three-year cohort default rate that was 15% or greater for one of the three most recent years.
- *Financial Responsibility*. All institutions participating in Title IV Programs also must satisfy specific ED standards of financial responsibility. Among other things, an institution must meet all of its financial obligations, including required refunds to students and any Title IV Program liabilities and debts, be current in its debt payments, comply with certain past performance requirements, and not receive any adverse, qualified, or disclaimed opinion by its accountants in its audited financial statements. Each year, ED also evaluates institutions’ financial responsibility by calculating a “composite score,” which utilizes information provided in the institutions’ annual audited financial statements. The composite score is based on three ratios: (1) the equity ratio which measures the institution’s capital resources, ability to borrow and financial viability; (2) the primary reserve ratio which measures the institution’s ability to support current operations from expendable resources; and (3) the net income ratio which measures the institution’s ability to operate at a profit. Between composite score calculations, ED also will reevaluate the financial responsibility of an institution following the occurrence of certain “triggering events,” which must be timely reported to the agency.
- *Title IV Program Rulemaking*. ED is almost continuously engaged in one or more negotiated rulemakings, which is the process pursuant to which it revisits, revises, and expands the complex and voluminous Title IV Program regulations. ED is currently managing two significant rulemaking efforts. First, between October and December 2021, ED held three

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rounds of negotiations as part of the Affordability and Student Loans rulemaking. The negotiators considered nine issue areas, including the borrower defense to repayment rule, closed school loan discharges, and loan repayment plans. Second, between January and March of 2022, ED held three rounds of negotiations as part of the Institutional and Programmatic Eligibility rulemaking. The negotiators considered seven issue areas, including administrative capability, financial responsibility, gainful employment, change of ownership and control, ability to benefit and the 90/10 rule. The regulated community is currently awaiting ED's official proposed rules based on these rounds of negotiated rulemaking, which are likely to be made available for public review and comment between May and July 2022. If ED publishes final rules by November 1, these rules will become effective July 1, 2023. We devote significant effort to understanding the effects of ED regulations and rulemakings on our business and to developing compliant solutions that also are congruent with our business, culture, and mission to serve our students and industry relationships.

Other Federal and State Student Aid Programs

Some of our students also receive financial aid from federal sources other than Title IV Programs, such as the programs administered by the U.S. Department of Veterans Affairs ("VA"), the Department of Defense ("DOD") and under the Workforce Innovation and Opportunity Act. Additionally, some states provide financial aid to our students in the form of grants, loans or scholarships. Our Long Beach, Rancho Cucamonga and Sacramento, California campuses, for example, are currently eligible to participate in the Cal Grant program. All of our institutions must comply with the eligibility and participation requirements applicable to each of these funding programs, which vary by funding agency and program.

Each year we derive a portion of our revenues, on a cash basis, from veterans' benefits programs, which include the Post-9/11 GI Bill, the Montgomery GI Bill, the Reserve Education Assistance Program ("REAP") and VA Vocational Rehabilitation. To continue participation in veterans' benefits programs, an institution must comply with certain requirements established by the VA.

COVID-19, the CARES Act, the CRRSAA, and ARPA

During fiscal 2020 and 2021 various pieces of legislation were issued related to the COVID-19 pandemic including the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSAA") and the American Rescue Plan Act ("ARPA"). This legislation, along with guidance from the ED, are discussed at length in "Note 21 - Governmental Regulation and Financial Aid" in our [2021 Annual Report on Form 10-K](#). The funding received from these Acts is also discussed in Note 21 on Higher Education Emergency Relief Fund Grants below. For additional information and risks associated with this legislation, see Item 1A. "Risk Factors" in our [2021 Annual Report on Form 10-K](#).

Distance Education

In response to the COVID-19 pandemic, ED provided broad approval for institutions to use distance education without going through the standard ED approval process. ED also permitted accreditors to waive their distance education review requirements. Taking advantage of these flexibilities, we transitioned our students into blended program formats, which permitted their non-clinical training to be offered online.

ED's temporary flexibilities currently remain in place and will continue through the end of the payment period that begins after the date on which the federally-declared national emergency related to COVID-19 is rescinded. However, having observed that our blended learning programs offer a range of academic, operational, and financial efficiencies, we have determined to seek the permanent approvals that will permit us to continue offering blended learning programming after the noted temporary flexibilities have expired. We also continue to work to ensure that our blended learning programming complies with applicable distance education rules and standards, including ED's new distance education rules, which became effective July 1, 2021. We intend to offer our Automotive, Diesel, Automotive/Diesel, Motorcycle and Marine programs in a blended learning format on a permanent basis. Additionally, we intend to continue to invest in our blended learning platform and curriculum to further enhance the student experience and student outcomes.

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To date, we have received approval from ACCSC to permanently offer blended format programs that utilize both distance and on-ground education. Additionally, we have received permanent approvals from all state education authorizing agencies to offer blended format programs. Last, we note that as part of the Responsible Education Mitigating Options and Technical Extensions (REMOTE) Act, remote learning waivers for GI Bill students were extended until June 1, 2022. GI Bill students attending a course that was converted to remote learning because of COVID-19 may also continue to receive housing benefits until June 1, 2022.

Note 21 - Higher Education Emergency Relief Fund Grants

HEERF II Grants for Students under the CRRSAA and HEERF III Grant for Students under the ARPA

As discussed in “Note 21 - Governmental Regulation and Financial Aid” in our [2021 Annual Report on Form 10-K](#), the CRRSAA includes Higher Education Emergency Relief Fund II (“HEERF II”), which makes an additional \$22.7 billion available to higher education institutions. Of this amount, private, proprietary institutions are allocated approximately \$681 million. The statute permits proprietary institutions to use HEERF II funds to provide financial aid grants to students and requires that institutions prioritize the grants to students with exceptional need, such as students who receive Pell Grants. On January 14, 2021, ED issued guidance regarding the administration of the HEERF II program. In accordance with the ED’s allocation schedule, during the year ended September 30, 2021, we were granted approximately \$ 16.8 million for purposes of funding HEERF II student grants.

Additionally, as discussed in “Note 21 - Governmental Regulation and Financial Aid” in our [2021 Annual Report on Form 10-K](#), the ARPA provides almost \$40 billion in funding available to higher education institutions under the Higher Education Emergency Relief III (“HEERF III”). Of this amount, private, proprietary institutions are allocated approximately \$396 million and may only use HEERF III funding to provide emergency financial aid grants to students. In accordance with the ED’s allocation schedule, during the year ended September 30, 2021, we were granted approximately \$ 9.9 million for purposes of funding HEERF III student grants.

During the six months ended March 31, 2022, we awarded approximately \$ 5.0 million in HEERF II and HEERF III grants to over 4,100 students. The HEERF II and HEERF III funds were drawn down as student grants were distributed with approximately \$ 0.6 million included in “Restricted cash” on our consolidated balance sheet as of March 31, 2022 which relates to pending student grants and outstanding checks. As of March 31, 2022, we have approximately \$ 1.9 million of funds still available for HEERF II and HEERF III grants to students.

HEERF I Grants for Significant Changes to the Delivery of Instruction Due to the Coronavirus under the CARES Act

As discussed in “Note 22 - Higher Education Emergency Relief Fund under the CARES Act” in our [2021 Annual Report on Form 10-K](#), during the three months ended December 31, 2020, we incurred \$ 0.9 million in allowable costs related to the changes in the delivery of instruction due to the coronavirus, thereby utilizing the remaining available HEERF institutional funds. Of the \$ 0.9 million incurred, \$ 0.3 million was recorded in “Educational services and facilities” and \$ 0.6 million was recorded in “Selling, general and administrative” on the condensed consolidated statements of operation for the three months ended December 31, 2020. The \$ 0.9 million was drawn down prior to December 31, 2020 and was included in our “Cash and cash equivalents” on our condensed consolidated balance sheet as of December 31, 2020.

Note 22 - Subsequent Events

Lisle Campus Term Loan

As previously disclosed in Note 7, on February 11, 2022, we completed the acquisition of 2611, an entity that is the owner of the real property that serves the Lisle Campus. At the time of the acquisition, 2611 was a party to a term loan agreement with a third-party bank secured by a mortgage on the Lisle Campus (the “Previous Mortgage Debt”).

On April 14, 2022, 2611, as borrower (the “Borrower”), entered into a Loan Agreement (“Loan Agreement”) with Valley National Bank, a national banking association (the “Lisle Lender”), to fund the acquisition and retirement of the Previous

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

Mortgage Debt, via a term loan in the original principal amount of \$ 38.0 million with a maturity of seven years (the “Term Loan”). The Term Loan bears interest at a rate of one-month Secured Overnight Financing Rate (“SOFR”) plus 2.0 %. In connection with the Term Loan, the Borrower entered into an interest rate swap agreement with the Lisle Lender that effectively fixes the interest rate on 50 % of the principal amount of the Term Loan at 4.69 % for the entire loan term. The Term Loan is secured by a mortgage on the Lisle Campus. Further details of the transactions were disclosed separately under a [Form 8-K](#) filed with the SEC on April 19, 2022.

Acquisition of Concorde Career Colleges, Inc.

On May 3, 2022, we entered into a definitive Stock Purchase Agreement (the “Purchase Agreement”) by and among UTI, Concorde Career Colleges, Inc., a Delaware corporation (“Concorde”); Liberty Partners Holdings 28, L.L.C., a Delaware limited liability company, and Liberty Investment IIC, LLC, a Delaware limited liability company (each a “Seller,” and collectively, the “Sellers”); and Liberty Partners L.P., a Delaware limited partnership, in its capacity as a representative of the Sellers. Concorde is a leading provider of industry-aligned healthcare education programs in fields such as nursing, dental hygiene and medical diagnostics. Concorde operates 17 campuses across eight states with approximately 7,400 students, and offers its programs in ground, hybrid and online formats.

The Purchase Agreement provides for the purchase by UTI of all of the issued and outstanding shares of capital stock of Concorde for a base purchase price of \$ 50.0 million in cash, subject to certain customary adjustments as set forth in the Purchase Agreement. As a result of the transactions contemplated by the Purchase Agreement, Concorde would become a wholly owned subsidiary of UTI.

The closing of the Purchase Agreement is subject to customary closing conditions, including, among other things, the receipt of a Pre-Acquisition Review Response from the United States Department of Education that does not contain certain letter of credit requirements. UTI intends to use its cash on hand to pay the consideration contemplated under the Purchase Agreement. UTI expects the transaction to close during the first half of its fiscal 2023.

Further details of the transactions were disclosed separately under a [Form 8-K](#) filed with the SEC on May 4, 2022.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and those in our [2021 Annual Report on Form 10-K](#). This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including but not limited to those described under “Risk Factors” in our [2021 Annual Report on Form 10-K](#) and included in Part II, Item 1A of this Quarterly Report on Form 10-Q. See also “Cautionary Note Regarding Forward-Looking Statements” on page ii of this Quarterly Report on Form 10-Q.

Company Overview

Founded in 1965, with approximately 250,000 graduates in its history, Universal Technical Institute, Inc. (“we,” “us” or “our”) is a leading provider of transportation and technical training programs. As of March 31, 2022, we offered certificate, diploma or degree programs at 14 campuses across the United States under the banner of several well-known brands, including Universal Technical Institute (“UTI”), Motorcycle Mechanics Institute and Marine Mechanics Institute (collectively, “MMI”), NASCAR Technical Institute (“NASCAR Tech”), and MIAT College of Technology (“MIAT”). Additionally, we offer manufacturer specific advanced training (“MSAT”) programs, including student-paid electives, at our campuses and manufacturer or dealer sponsored training at certain campuses and dedicated training centers.

All of our campuses are nationally accredited and are eligible for federal student financial assistance funds under the Higher Education Act of 1965, as amended (“HEA”), commonly referred to as Title IV Programs, which are administered by the U.S. Department of Education (“ED”). Our programs are also eligible for financial aid from federal sources other than Title IV Programs, such as the programs administered by the U.S. Department of Veterans Affairs (“VA”) and under the Workforce Investment Act.

To ensure our programs provide students with the necessary hard and soft skills needed upon graduation, we have relationships with over 35 original equipment manufacturers (“OEMs”) and industry brand partners across the country to understand their needs for qualified service professionals. Through our industry relationships, we are able to continuously refine and expand our programs and curricula. We believe our industry-focused educational model and national presence have enabled us to develop valuable industry relationships, which provide us with significant competitive advantages and supports our market leadership, along with enabling us to provide highly specialized education to our students, resulting in enhanced employment opportunities and the potential for higher wages for our graduates.

Our industry relationships also extend to thousands of local employers, after-market retailers, fleet service providers and enthusiast organizations. Other target groups for relationship-building, such as parts and tools suppliers, provide us with a variety of strategic and financial benefits that include equipment sponsorship, new product support, licensing and branding opportunities and financial sponsorship for our campuses and students.

We offer the majority of our programs in a blended learning model that combines instructor-facilitated online teaching and demonstrations with hands-on labs. This blended learning format has allowed us to continue to offer our programs to our students during the COVID-19 pandemic and aligns with an increasing trend of online education being offered as individuals seek more flexibility and life-long learning opportunities. On-campus labs are designed to meet or exceed the current national guidelines recommended by the Centers for Disease Control (“CDC”) as well as state and local mandates, while still meeting our accreditation and curriculum requirements.

Overview of the Three and Six Months Ended March 31, 2022**Student Metrics**

	Three Months Ended			Six Months Ended		
	March 31,		%	March 31,		%
	2022	2021	Change	2022	2021	Change
Total new student starts	2,275	2,405	(5.4)%	4,247	4,332	(2.0)%
Average undergraduate full-time active students	12,903	11,356	13.6 %	13,316	11,585	14.9 %
End of period undergraduate full-time active students	12,466	10,945	13.9 %	12,466	10,945	13.9 %

The increase in average undergraduate full-time active students and end of period undergraduate full-time active students was due to strong student demand throughout fiscal 2021 and the ongoing but diminishing impacts of the COVID-19 pandemic on the prior year. The acquisition of MIAT in November 2021 also contributed to the increase in our average and end of period undergraduate full-time active students.

Our ability to start new students can be influenced by various factors including: ongoing impacts of the COVID-19 pandemic and related variants, unemployment rates; competition; adverse media coverage, legislative hearings, regulatory actions and investigations by attorneys general and various agencies related to allegations of wrongdoing on the part of other companies within the education and training services industry, which have cast the industry in a negative light; and the state of the general macro-economic environment and its impact on price sensitivity and the ability and willingness of students and their families to incur debt.

Operations

Revenues for the three months ended March 31, 2022 were \$102.1 million, an increase of \$24.4 million, or 31.4%, from the comparable period in the prior year. Revenues for the six months ended March 31, 2022 were \$207.2 million, an increase of \$53.3 million, or 34.7%, from the comparable period in the prior year. The increase in revenue was due to growth in students, increased revenue per student due to the impact of the COVID-19 pandemic in the prior year, and the acquisition of MIAT.

We had income from operations of \$3.4 million and \$17.0 million during the three and six months ended March 31, 2022, respectively, compared to a loss from operations of \$1.7 million and \$0.9 million during the three and six months ended March 31, 2021, respectively. The increase in our income from operations during these periods was primarily driven by our increase in revenue. Additionally, productivity improvements and proactive cost actions have been a key part of our operating model for the past several years, and we continue to identify and execute on efficiency opportunities throughout our cost structure, while improving and investing in the overall student experience.

Business Strategy

Our core business strategies are aligned with our mission to serve students, partners and communities by providing quality education and training for in-demand careers. Additionally, as we evolve our business model, we are focused on growth and diversification which is achieved through acquisitions, opening new campus locations, the expansion of new program offerings, and new funding and business operating models.

During the six months ended March 31, 2022, we executed the following as part of our growth and diversification strategy:

- Completed the acquisition of MIAT College of Technology (“MIAT”) from HCP & Company on November 1, 2021. MIAT served approximately 1,000 students as of December 31, 2021 through its campuses in Canton, Michigan and Houston, Texas. The company offers vocational and technical certificates as well as associates degrees in fields with robust and growing demand for skilled technical workers, including aviation maintenance, energy technology, wind power, robotics and automation, non-destructive testing, HVACR, and welding. The acquisition will enable us to further expand our program offerings into growing industry sectors and rapidly expanding fields likely to be bolstered by technological innovation and the country’s focus on sustainable energy.

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- Launched electric vehicle (“EV”) technician training coursework to meet increasing demand for clean cars and trucks. This enhanced training is the initial step in our overall EV strategy to prepare future technicians for surging electric vehicle sales in the coming decades.
 - As part of this initiative, we rolled out new curriculum in our Ford FACT (“Ford Accelerated Credential Training”) program to prepare students to keep the next generation of vehicles on the road. This new curriculum will feature blended learning courses on high voltage systems safety, hybrid vehicle components and operation, battery electric vehicle components and operation and an introduction to high voltage battery service, as well as a Ford instructor-led class on hybrid and electric vehicle operation and diagnosis.
 - We have also selected Bosch to support the development of new courseware that helps meet the needs of the growing electric vehicle EV market, which continues to see record sales and a demand for skilled technicians.
- Formed a new strategic alliance with Napa Auto Parts (“NAPA”). NAPA will supply essential parts for hands-on labs, including brake kits, rotors, bulbs, bearing kits, wheel weights and more. The initial stage of the partnership will impact UTI, MMI and NTI-branded campuses and may be expanded to MIAT-branded campuses in the future.
- Purchased our Lisle, Illinois campus in February 2022, for approximately \$28.4 million, net of debt assumed, including closing costs and other fees. See Note 7, 13 and 22 of the notes to our condensed consolidated financial statements herein for more discussion on this transaction.

In addition, we continue to pursue other opportunities that align with our growth and diversification strategy.

Regulatory Environment

See Note 20 of the notes to our condensed consolidated financial statements herein for a discussion of our regulatory environment.

Results of Operations: Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

The following table sets forth selected statements of operations data as a percentage of revenues for each of the periods indicated.

	Three Months Ended March 31,	
	2022	2021
Revenues	100.0 %	100.0 %
Operating expenses:		
Educational services and facilities	48.2 %	52.1 %
Selling, general and administrative	48.5 %	50.0 %
Total operating expenses	96.7 %	102.1 %
Income (loss) from operations	3.3 %	(2.1)%
Interest income	—%	—%
Interest expense	(0.5)%	—%
Other (expense) income, net	(0.2)%	0.1 %
Total other (expense) income, net	(0.7)%	0.1 %
Income (loss) before income taxes	2.7 %	(2.0)%
Income tax benefit	4.5 %	—%
Net income (loss)	7.2 %	(2.0)%
Preferred stock dividends	1.3 %	1.7 %
Income (loss) available for distribution	5.9 %	(3.7)%

Revenues

Revenues for the three months ended March 31, 2022 were \$102.1 million, an increase of \$24.4 million, or 31.4%, as compared to revenues of \$77.7 million for the three months ended March 31, 2021. During the three months ended March 31, 2022, we had a 13.6% increase in our average undergraduate full-time active students as we saw strong front-end demand across all channels throughout fiscal 2021, and the prior year period was impacted by the ongoing but diminishing effects of the global pandemic. The increase in revenue is primarily due to an increase in the average revenue per student as compared to the prior year which was impacted by the timing of completion of student make-up lab work and slower student progression due to the ongoing but diminishing impacts of COVID-19. The acquisition of MIAT also contributed to our student and revenue growth, accounting for \$6.5 million of revenues for the three months ended March 31, 2022. We recognized \$2.1 million and \$1.8 million on an accrual basis related to revenues and interest under our proprietary loan program for the three months ended March 31, 2022, and 2021, respectively.

Educational services and facilities expenses

Educational services and facilities expenses were \$49.2 million for the three months ended March 31, 2022, which represents an increase of \$8.7 million as compared to \$40.5 million for the three months ended March 31, 2021.

The following table sets forth the significant components of our educational services and facilities expenses (in thousands):

	Three Months Ended March 31,	
	2022	2021
Salaries expense	\$ 21,880	\$ 19,008
Employee benefits and tax	4,335	2,664
Bonus expense	576	389
Stock-based compensation	55	39
Compensation and related costs	<u>26,846</u>	<u>22,100</u>
Occupancy costs	9,488	7,449
Depreciation and amortization expense	3,572	3,388
Supplies and maintenance expense	3,729	2,541
Taxes and licensing expense	694	885
Student expense	708	767
Contract services expense	895	598
Other educational services and facilities expense	3,277	2,752
Total educational services and facilities expense	<u>\$ 49,209</u>	<u>\$ 40,480</u>

Compensation and related costs increased by \$4.7 million for the three months ended March 31, 2022 primarily due to increased headcount in support of higher student counts, which includes the benefit of productivity improvements associated with our blended learning model. The acquisition of MIAT accounted for \$2.5 million of the increased compensation and related costs.

Occupancy costs increased by \$2.0 million for the three months ended March 31, 2022. The increase was primarily due to costs associated with the planned new campuses in Austin, Texas and Miramar, Florida, both of which are expected to open in the second half of 2022, as well as \$0.5 million related to our two new MIAT campuses. Additionally, we incurred approximately \$0.6 million for lease accounting adjustments resulting from the completed consolidation of our Orlando, Florida campus and the on-going consolidation of our Arizona campuses.

Supplies and maintenance expense increased by \$1.2 million primarily due to a \$0.3 million increase for the purchase of laptops for our students to aid their education under our blended-learning model. During the prior year, we primarily utilized funds from the CARES Act to purchase the laptops for our students. We also incurred additional expenses for technical supplies due to a higher average student population, the acquisition of MIAT, and the opening of our Austin, Texas campus in May 2022.

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Contract services increased by \$0.3 million primarily due to costs incurred related to our growth and diversification initiatives.

Other educational services and facilities expense increased by \$0.5 million for the three months ended March 31, 2022. The increase was primarily due to our higher average student population and included a \$1.0 million increase in expense related to our accrued tool kits, an increase in the cost of books of \$0.3 million and an increase of \$0.3 million in the cost of training aids. These increases were partially offset by a gain of \$1.6 million in the current period as a result of the settlement of the Lisle Campus lease. See Note 7 of the notes to the condensed consolidated financial statements herein for additional details on the purchase of the Lisle Campus.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2022 were \$49.5 million. This represents an increase of \$10.6 million, as compared to \$38.9 million for the three months ended March 31, 2021.

The following table sets forth the significant components of our selling, general and administrative expenses (in thousands):

	Three Months Ended March 31,	
	2022	2021
Salaries expense	\$ 15,511	\$ 13,918
Employee benefits and tax	3,234	2,551
Bonus expense	3,796	3,164
Stock-based compensation	1,555	1,270
Compensation and related costs	24,096	20,903
Advertising expense	13,555	10,592
Contract services expense	1,405	1,692
Professional services expense	3,565	1,582
Depreciation and amortization expense	312	181
Other selling, general and administrative expenses	6,567	3,940
Total selling, general and administrative expenses	\$ 49,500	\$ 38,890

Compensation and related costs increased by \$3.2 million for the three months ended March 31, 2022 primarily due to an increase in salaries to support our growth and diversification initiatives as compared to the prior year. The acquisition of MIAT represented \$0.8 million of the increase.

Advertising expense increased by \$3.0 million for the three months ended March 31, 2022, primarily due to timing of spend along with incremental investment to support our growth objectives. We continue to target cost-efficient marketing with an increased focus on digital media. Advertising expense as a percentage of revenues decreased to 13.3% for the three months ended March 31, 2022 as compared to 13.6% in the prior year. Advertising expense for MIAT accounted for \$1.5 million of the increase.

Professional services expense increased by \$2.0 million primarily due costs incurred related to our growth and diversification initiatives.

Other selling, general and administrative expenses increased by \$2.6 million for the three months ended March 31, 2022. The primary factors included increases of \$0.8 million for bad debt expense, \$0.4 million for travel, and \$0.2 million for software. The acquisition of MIAT represented \$0.6 million of the increase.

Income taxes

Our income tax benefit for the three months ended March 31, 2022 was \$4.6 million, or (166.8)% of pre-tax income, compared to an income tax benefit of \$34.0 thousand, or 2.2% of pre-tax loss, for the three months ended March 31, 2021. The effective income tax rate in each period differed from the federal statutory tax rate of 21% primarily as a result of changes in the valuation allowance and state taxes. The tax benefit recorded during the three months ended March 31, 2022

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primarily relates to the release of the valuation allowance during the quarter and the impact of the MIAT deferred tax liability for indefinite lived intangibles which are available to offset a portion of our indefinite lived deferred tax assets. See Note 15 of the notes to the condensed consolidated financial statements herein for additional details on our valuation allowance.

Preferred stock dividends

On June 24, 2016, we sold 700,000 shares of Series A Preferred Stock for \$70.0 million in cash, less \$1.2 million in issuance costs. Pursuant to the Certificate of Designations of the Series A Preferred Stock, we recorded a preferred stock cash dividend of \$1.3 million for the three months ended March 31, 2022 and 2021, respectively.

Net income (loss) available for distribution

Net income (loss) available for distribution refers to the net income or net loss reduced by dividends on our Series A Preferred Stock. As a result of the foregoing, we reported a net income available for distribution for the three months ended March 31, 2022 of \$6.1 million and net loss available for distribution of \$2.9 million for the three months ended March 31, 2021.

Results of Operations: Six Months Ended March 31, 2022 Compared to Six Months Ended March 31, 2021

The following table sets forth selected statements of operations data as a percentage of revenues for each of the periods indicated.

	Six Months Ended March 31,	
	2022	2021
Revenues	100.0 %	100.0 %
Operating expenses:		
Educational services and facilities	46.9 %	51.9 %
Selling, general and administrative	44.9 %	48.7 %
Total operating expenses	91.8 %	100.6 %
Income (loss) from operations	8.2 %	(0.6)%
Interest income	—%	—%
Interest expense	(0.3)%	—%
Other income, net	—%	0.2 %
Total other (expense) income, net	(0.3)%	0.2 %
Income (loss) before income taxes	7.8 %	(0.3)%
Income tax benefit	2.9 %	—%
Net income (loss)	10.7 %	(0.3)%
Preferred stock dividends	1.3 %	1.7 %
Income (loss) available for distribution	9.4 %	(2.0)%

Revenues

Revenues for the six months ended March 31, 2022 were \$207.2 million, an increase of \$53.3 million, or 34.7%, as compared to revenues of \$153.8 million for the six months ended March 31, 2021. During the six months ended March 31, 2022, we had a 14.9% increase in our average full-time student enrollment, reflecting strong front-end demand across all channels throughout fiscal 2021. The increase in revenue is primarily due to an increase in the average revenue per student as compared to the prior year, which was impacted by the timing of completion of student make-up lab work and slower student progression due to the ongoing but diminishing impacts of COVID-19. The acquisition of MIAT also contributed to our student and revenue growth, accounting for \$11.6 million in revenues during the six months ended March 31, 2022. We recognized \$4.6 million and \$3.5 million on an accrual basis related to revenues and interest under our proprietary loan program for the six months ended March 31, 2022, and 2021, respectively.

Educational services and facilities expenses

Educational services and facilities expenses were \$97.1 million for the six months ended March 31, 2022, which represents an increase of \$17.3 million as compared to \$79.8 million for the six months ended March 31, 2021.

The following table sets forth the significant components of our educational services and facilities expenses (in thousands):

	Six Months Ended March 31,	
	2022	2021
Salaries expense	\$ 41,938	\$ 36,844
Employee benefits and tax	8,559	5,636
Bonus expense	1,115	843
Stock-based compensation	101	65
Compensation and related costs	51,713	43,388
Occupancy costs	18,484	15,717
Depreciation and amortization expense	6,979	6,453
Supplies and maintenance expense	7,170	4,799
Student expense	1,795	2,151
Contract services expense	2,143	1,294
Taxes and licensing expense	1,448	1,274
Other educational services and facilities expense	7,378	4,735
Total educational services and facilities expense	\$ 97,110	\$ 79,811

Compensation and related costs increased by \$8.3 million for the six months ended March 31, 2022 primarily due to increased headcount in support of higher student counts, which includes the benefit of productivity improvements associated with our blended learning model. The acquisition of MIAT accounted for \$3.9 million of the increased compensation and related costs.

Occupancy costs increased by \$2.8 million for the six months ended March 31, 2022. The increase was primarily due to costs associated with the planned new campuses in Austin, Texas and Miramar, Florida, both of which are expected to open in the second half of 2022, as well as \$0.9 million related to MIAT's two campuses since November 2021. Additionally, we incurred approximately \$0.6 million for lease accounting adjustments resulting from the completed consolidation of our Orlando, Florida campus and the on-going consolidation of our Arizona campuses. These increases were partially offset by the benefits associated with the purchase of our Avondale, Arizona campus in December 2020.

Supplies and maintenance expense increased by \$2.4 million primarily due to the purchase of laptops for our students to aide their education under our blended-learning model which accounted for \$0.7 million of the increase, along with an increased technical supplies expense of \$0.8 million. During the prior year, we primarily utilized funds from the CARES Act to purchase the laptops for our students. We also incurred additional expenses for student textbooks and technical supplies due to a higher average student population, the acquisition of MIAT, and the opening of our Austin, Texas campus in May 2022.

Contract services increased by \$0.8 million, primarily due to costs incurred related to our growth and diversification initiatives.

Other educational services and facilities expense increased by \$2.6 million during the six months ended March 31, 2022. The increase was primarily due to our higher average student population and included a \$1.8 million increase in expense related to our accrued tool kits, an increase in the cost of books of \$0.5 million and an increase of \$0.3 million in the cost of training aids. These increases were partially offset by a gain of \$1.6 million in the current period as a result of the settlement of the Lisle Campus lease. See Note 7 of the notes to the condensed consolidated financial statements herein for additional details on the purchase of the Lisle Campus.

[Table of Contents](#)**Selling, general and administrative expenses**

Selling, general and administrative expenses for the six months ended March 31, 2022 were \$93.1 million. This represents an increase of \$18.2 million, as compared to \$74.9 million for the six months ended March 31, 2021.

The following table sets forth the significant components of our selling, general and administrative expenses (in thousands):

	Six Months Ended March 31,	
	2022	2021
Salaries expense	\$ 31,135	\$ 27,872
Employee benefits and tax	6,137	5,402
Bonus expense	7,750	6,613
Stock-based compensation	2,214	1,792
Compensation and related costs	47,236	41,679
Advertising expense	24,893	19,622
Contract services expense	2,586	2,915
Professional services expense	5,202	2,528
Depreciation and amortization expense	584	398
Other selling, general and administrative expenses	12,595	7,767
Total selling, general and administrative expenses	\$ 93,096	\$ 74,909

Compensation and related costs increased by \$5.6 million for the six months ended March 31, 2022 primarily due to an increase in salaries to support our growth and diversification initiatives as compared to the prior year. The acquisition of MIAT represented \$1.6 million of the increase.

Advertising expense increased by \$5.3 million for the six months ended March 31, 2022, primarily due to timing of spend along with incremental investment to support our growth objectives. We continue to target cost-efficient marketing with an increased focus on digital media. Advertising expense as a percentage of revenues decreased to 12.0% for the six months ended March 31, 2022 as compared to 12.8% in the prior year. Advertising expense for MIAT accounted for \$2.2 million of the increase.

Professional services expense increased by \$2.7 million primarily due costs incurred related to our growth and diversification initiatives, including the acquisition of MIAT which closed on November 1, 2021.

Other selling, general and administrative expenses increased by \$4.8 million primarily due to increases of \$0.9 million in travel and entertainment costs, \$0.9 million for bad debt expense, and \$0.5 million for software. The acquisition of MIAT represented \$1.1 million of the increase.

Income taxes

Our income tax benefit for the six months ended March 31, 2022 was \$5.9 million, or 36.6% of pre-tax income, compared to an income tax benefit of \$8.0 thousand, or 1.7% of pre-tax loss, for the six months ended March 31, 2021. The effective income tax rate in each period differed from the federal statutory tax rate of 21% primarily as a result of changes in the valuation allowance and state taxes. The tax benefit recorded during the six months ended March 31, 2022 primarily relates to the release of the valuation allowance during the period and the impact of the MIAT deferred tax liability for indefinite lived intangibles which are available to offset a portion of our indefinite lived deferred tax assets. See Note 15 of the notes to the condensed consolidated financial statements herein for additional details on our valuation allowance.

Preferred stock dividends

On June 24, 2016, we sold 700,000 shares of Series A Preferred Stock for \$70.0 million in cash, less \$1.2 million in issuance costs. In accordance with the terms of the related purchase agreement, we recorded a preferred stock cash dividend of \$2.6 million for the six months ended March 31, 2022 and 2021, respectively.

Net income (loss) available for distribution

Net income (loss) available for distribution refers to the net income or net loss reduced by dividends on our Series A Preferred Stock. As a result of the foregoing, we reported a net income available for distribution for the six months ended March 31, 2022 of \$19.6 million and net loss available for distribution of \$3.1 million for the six months ended March 31, 2021.

Non-GAAP Financial Measures

Our earnings before interest income, income taxes, depreciation and amortization (“EBITDA”) for the three and six months ended March 31, 2022 were \$7.1 million and \$24.5 million, respectively compared to \$2.0 million and \$6.3 million for the three and six months ended March 31, 2021, respectively. We define EBITDA as net income (loss), before interest (income) expense, income tax (benefit) expense, and depreciation and amortization.

EBITDA is a non-GAAP financial measure which is provided to supplement, but not substitute for, the most directly comparable GAAP measure. We choose to disclose this non-GAAP financial measure because it provides an additional analytical tool to clarify our results from operations and helps to identify underlying trends. Additionally, this measure helps compare our performance on a consistent basis across time periods. Management also utilizes EBITDA as a performance measure internally. To obtain a complete understanding of our performance, this measure should be examined in connection with net income determined in accordance with GAAP. Since the items excluded from this measure should be examined in connection with net income in determining financial performance under GAAP, this measure should not be considered an alternative to net income as a measure of our operating performance or profitability. Exclusion of items in our non-GAAP presentation should not be construed as an inference that these items are unusual, infrequent or non-recurring. Other companies, including other companies in the education industry, may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure across companies. Investors are encouraged to use GAAP measures when evaluating our financial performance.

EBITDA reconciles to net income, as follows (in thousands):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Net income (loss)	\$ 7,354	\$ (1,547)	\$ 22,176	\$ (464)
Interest income	(8)	(8)	(20)	(62)
Interest expense	466	1	699	3
Income tax benefit	(4,598)	(34)	(5,945)	(8)
Depreciation and amortization ⁽¹⁾	3,884	3,569	7,563	6,851
EBITDA	\$ 7,098	\$ 1,981	\$ 24,473	\$ 6,320

(1) Includes depreciation of training equipment obtained in exchange for services of \$0.3 million and \$0.3 million for the three months ended March 31, 2022 and 2021 and \$0.5 million and \$0.6 million for the six months ended March 31, 2022 and 2021, respectively.

Liquidity and Capital Resources**Overview of Liquidity**

Based on past performance and current expectations, we believe that our cash flows from operations, cash on hand and investments will satisfy our working capital needs, capital expenditures, commitments and other liquidity requirements associated with our existing operations, as well as announced growth and diversification initiatives through the next 12 months. Our cash position is available to fund strategic long-term growth initiatives, including opening additional campuses in new markets and the creation of new programs, such as welding, in existing markets where we continue to optimize utilization of our campus facilities.

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Our aggregate cash and cash equivalents were \$61.5 million as of March 31, 2022, a decrease of \$72.2 million from September 30, 2021.

Strategic Uses of Cash

On November 1, 2021, using operating cash on hand, we acquired all of the issued and outstanding shares of capital stock of MIAT for \$26.0 million base purchase price plus \$2.8 million working capital surplus for total cash consideration paid of \$28.8 million. See Note 4 of the notes to the condensed consolidated financial statements herein for additional details on the acquisition.

During February 2022, we purchased the Lisle Campus for approximately \$28.4 million, in cash plus assumed debt, including closing costs and other fees. Due to the timing of the close for the Lisle Campus, we used available operating cash for the purchase. See Notes 7, 13 and 22 of the notes to the condensed consolidated financial statements herein for additional details on the purchase, debt assumed, and the subsequent retiring of the debt as a result of securing a new term loan.

We believe that additional strategic uses of our cash resources may include consideration of strategic acquisitions and organic growth initiatives, purchase of real estate assets, subsidizing funding alternatives for our students, and the repurchase of common stock, among others. To the extent that potential acquisitions are large enough to require financing beyond cash from operations, cash and cash equivalents, and short-term investments, or we need capital to fund operations, new campus openings or expansion of programs at existing campuses, we may enter into additional credit facilities, issue debt or issue additional equity.

Long-term Debt

We had \$48.7 million of long-term debt outstanding as of March 31, 2022, which is comprised of two term loans. Of the \$48.7 million outstanding, \$30.5 million relates to a term loan that bears interest at the rate of LIBOR plus 2.0% over the seven year term secured in connection with the Avondale, Arizona campus property purchased in December 2020. The remaining \$18.1 million relates to a term loan that bears interest at the rate of 5.293% over the remaining nine year term, which was assumed in our purchase of the Lisle Campus property in February 2022. See Note 13 of the notes to the condensed consolidated financial statements herein for additional details on the term loans.

Dividends

We currently do not pay a cash dividend on our common stock. We pay preferred stock cash dividends of \$2.6 million during March and September of each fiscal year.

Principal Sources of Liquidity

Our principal source of liquidity is operating cash flows and existing cash and cash equivalents. A majority of our revenues are derived from Title IV Programs and various veterans' benefits programs. Federal regulations dictate the timing of disbursements of funds under Title IV Programs. Students must apply for new funding for each academic year consisting of 30-week periods. Loan funds are generally provided in two disbursements for each academic year. The first disbursement for first-time borrowers is usually received 30 days after the start of a student's academic year, and the second disbursement is typically received at the beginning of the 16th week from the start of the student's academic year. Under our proprietary loan program, we bear all credit and collection risk and students are not required to begin repayment until six months after the student completes or withdraws from his or her program. These factors, together with the timing of when our students begin their programs, affect the timing and seasonality of our operating cash flow.

Operating Activities

Our net cash provided by operating activities was \$10.4 million for the six months ended March 31, 2022, compared to \$17.5 million for the six months ended March 31, 2021.

Net income, after adjustments for non-cash items, provided cash of \$36.2 million. The non-cash items included \$9.1 million for amortization of right-of-use assets for operating leases, \$7.6 million for depreciation and amortization expense and \$2.2 million for stock-based compensation expense, partially offset by a change in deferred tax assets of \$6.6 million.

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Changes in operating assets and liabilities used cash of \$25.8 million primarily due to the following:

- The decrease in deferred revenue used cash of \$17.5 million and was primarily attributable to the timing of student starts, the number of students in school and where they were at period end in relation to completion of their program at March 31, 2022 as compared to September 30, 2021.
- Changes in our operating lease liability, primarily as a result of rent payments used cash of \$8.6 million.
- The change in other liabilities used cash of \$3.5 million primarily due to the reclassification of the CARES payroll tax deferral to current liabilities.
- The decrease in receivables provided cash of \$3.8 million and was primarily due to the timing of Title IV disbursements and other cash receipts on behalf of our students.

Net income, after adjustments for non-cash items, for the six months ended March 31, 2021 provided cash of \$16.7 million. The non-cash items included \$8.1 million for amortization of right-of-use assets for operating leases, \$6.9 million for depreciation and amortization expense and \$1.8 million for stock-based compensation expense.

Changes in operating assets and liabilities used cash of \$0.8 million primarily due to the following:

- The decrease in receivables provided cash of \$12.3 million and was primarily due to the timing of Title IV disbursements and other cash receipts on behalf of our students.
- The decrease in income tax receivable provided cash of \$2.7 million and was primarily attributable to receiving an income tax refund as a result of the CARES Act.
- Changes in our operating lease liability as a result of rent payments used cash of \$9.2 million.
- The increase in prepaid expenses used cash of \$3.0 million primarily due to prepayments for insurance and rent.
- The decrease in accounts payable and accrued expenses used cash of \$1.5 million primarily related to the timing of payments to vendors and for payroll and bonus.

Investing Activities

During the six months ended March 31, 2022, cash used in investing activities was \$79.5 million. The cash outflow was primarily related to the purchase of property and equipment of \$53.2 million, of which \$28.4 million related to the purchase of the Lisle Campus. Other capital expenditures included investments for the Orlando, Florida and MMI, Phoenix consolidations, new campuses in Austin, Texas and Miramar, Florida, and the rollout of new programs at our campuses. Additionally, we purchased MIAT for \$26.5 million, net of cash consideration received.

During the six months ended March 31, 2021, cash used in investing activities was \$31.6 million. The cash outflow was primarily related to the purchase of property and equipment of \$49.9 million, of which \$45.2 million related to the purchase of the building at our Avondale, Arizona campus location, partially offset by proceeds from maturities of held-to-maturity securities of \$18.2 million.

Financing Activities

During the six months ended March 31, 2022, cash used in financing activities was \$3.9 million which was primarily related to the semi-annual payment of preferred stock dividends of \$2.6 million, the payment of payroll taxes on stock-based compensation through shares withheld and payments on our term loans.

During the six months ended March 31, 2021, cash used in financing activities was \$3.1 million and related primarily to the semi-annual payment of preferred stock dividends of \$2.6 million and payment of payroll taxes on stock-based compensation through shares withheld.

Seasonality and Trends

Our operating results normally fluctuate as a result of seasonal variations in our business, principally due to changes in total student population and costs associated with opening or expanding our campuses. Our student population varies as a result of new student enrollments, graduations and student attrition. Historically, we have had lower student populations in our third quarter than in the remainder of our year because fewer students are enrolled during the summer months. Additionally, we

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have had higher student populations in our fourth quarter than in the remainder of the year because more students enroll during this period. Our expenses, however, do not vary significantly with changes in student population and revenues, and, as a result, such expenses do not fluctuate significantly on a quarterly basis. We expect quarterly fluctuations in operating results to continue as a result of seasonal enrollment patterns. However, such patterns may change as a result of new school openings, new program introductions, increased enrollments of adult students or acquisitions.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with GAAP and management's discussion and analysis of our financial condition and operating results require management to make judgments, assumptions and estimates that affect the amounts reported. There were no significant changes in our critical accounting policies and estimates in the six months ended March 31, 2022 from those previously disclosed in Part II, Item 7 of our [2021 Annual Report on Form 10-K](#), other than noted below.

Goodwill and Intangible Assets

We test goodwill and indefinite-lived intangible assets for impairment annually as of August 1, or more frequently if events and circumstances warrant. Under ASC 350, *Intangibles - Goodwill and Other*, to evaluate the impairment of goodwill, we first assess qualitative factors, such as deterioration in the operating performance of the acquired business, adverse market conditions, adverse changes in the applicable laws or regulations and a variety of other circumstances, to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. To evaluate the impairment of the indefinite-lived intangible assets, we assess the fair value of the assets to determine whether they were greater or less than the carrying values. If we conclude that it is more likely than not that the fair value is less than the carrying amount based on our qualitative assessment, or that a qualitative assessment should not be performed, we proceed with the quantitative impairment tests to compare the estimated fair value of the reporting unit to the carrying value of its net assets. Determining the fair value of indefinite-lived intangible assets is judgmental in nature and involves the use of significant estimates and assumptions. We believe the most critical assumptions and estimates in determining the estimated fair value of our reporting units include, but are not limited to, future tuition revenues, operating costs, working capital changes, capital expenditures and a discount rate. The assumptions used in determining our expected future cash flows consider various factors such as historical operating trends particularly in student enrollment and pricing and long-term operating strategies and initiatives. There were no indicators of impairment for our goodwill or indefinite-lived intangible assets as of March 31, 2022.

We also have definite-lived intangible assets, which primarily consist of purchased intangibles and capitalized curriculum development costs. The definite-lived intangible assets are recognized at cost less accumulated amortization. Amortization is computed using the straight-line method based on estimated useful lives of the related assets.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 3 of the notes to the condensed consolidated financial statements herein.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal exposure to market risk relates to changes in interest rates.

We invest our cash and cash equivalents in money market funds. As of March 31, 2022, we held \$61.5 million in cash and cash equivalents. During the six months ended March 31, 2022, we earned interest income of \$20.0 thousand. As we have a restrictive investment policy, our financial exposure to fluctuations in interest rates related to our interest income is expected to remain low. We do not believe that the value or liquidity of our cash and cash equivalents and investments have been significantly impacted by current market events.

On May 12, 2021, we entered into a credit agreement to finance the Avondale property through a \$31.2 million term loan that bears interest at the rate of LIBOR plus 2.0% with a maturity of seven years. As of March 31, 2022, the fair value of our long-term debt was \$30.5 million and bears interest on the outstanding principal amount at a rate equal to the LIBOR plus 2.0%, which was 2.46% as of March 31, 2022. We believe the carrying value of the debt approximates fair value as the interest rate is a floating rate equal to the LIBOR plus 2.0%, which is representative of market rates for similar instruments. It is anticipated that the fair market value of our debt will continue to be immaterially affected by fluctuations in interest rates

and we do not believe that the value of our debt has been significantly impacted by current market events. The variable rate of interest on our long-term debt can expose us to interest rate volatility due to changes in LIBOR. To mitigate this exposure, on May 12, 2021, we entered into an interest rate swap agreement that effectively fixes the interest rate on 50% of the principal amount of the term loan at 3.5% for the entire loan term. In February 2022, we assumed the term loan agreement associated with the Lisle Campus which had a principal balance of \$18.3 million. This term loan has a fixed rate of 5.293% so it is not subject to variable rate risk.

During the six months ended March 31, 2022, we recorded interest expense of \$0.7 million on our outstanding debt. Assuming all terms of our outstanding long-term debt remained the same, a hypothetical 1.0% change (up or down) in the one-month LIBOR would result in a \$0.2 million change to our annual interest expense for the portion of the long-term debt not hedged by the interest rate swap agreement.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), pursuant to Exchange Act Rule 13a-15 as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of March 31, 2022 were effective in ensuring that (i) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Exchange Act Rule 13a-15(d) or 15d-15(d) that occurred during the three months ended March 31, 2022.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, misstatements, errors and instances of fraud, if any, within our company have been or will be prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls also can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks that internal controls may become inadequate as a result of changes in conditions, or through the deterioration of the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the ordinary conduct of our business, we are periodically subject to lawsuits, demands in arbitrations, investigations, regulatory proceedings or other claims, including, but not limited to, claims involving current and former students, routine employment matters, business disputes and regulatory demands. When we are aware of a claim or potential claim, we assess the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, we would accrue a liability for the loss. When a loss is not both probable and estimable, we do not accrue a liability. Where a loss is not probable but is reasonably possible, including if a loss in excess of an accrued liability is reasonably possible, we determine whether it is possible to provide an estimate of the amount of the loss or range of possible losses for the claim. Because we cannot predict with certainty the ultimate resolution of the legal proceedings (including lawsuits, investigations, regulatory proceedings or claims) asserted against us, it is not currently possible to provide such an estimate. The ultimate outcome of pending legal proceedings to which we are a party may have a material adverse effect on our business, cash flows, results of operations or financial condition.

Item 1A. RISK FACTORS

None.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

None.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

The following exhibits required by Item 601 of Regulation S-K are filed or furnished with this report, as applicable:

Exhibit Number	Description
2.1*	Purchase and Sale Contract dated February 4, 2022, by and among Universal Technical Institute, Inc., Universal Technical Institute Ventures, LLC, and iStar Net Lease I LLC.
2.2*	Purchase and Sale Contract dated February 11, 2022, by and among Universal Technical Institute, Inc., Universal Technical Institute Ventures, LLC, and iStar Net Lease Member I LLC.
10.1*	Modification Agreement dated February 14, 2022, by and between 2611 Corporate West Drive Venture LLC and Western Alliance Bank.
10.2*	Repayment Guaranty dated February 14, 2022, by and among Universal Technical Institute, Inc., 2611 Corporate West Drive Venture LLC and Western Alliance Bank.
10.3*	Loan Agreement dated April 14, 2022, by and among 2611 Corporate West Drive Venture LLC and Valley National Bank .
10.4*	Guaranty dated April 14, 2022, by and among Universal Technical Institute, Inc., 2611 Corporate West Drive Venture LLC and Valley National Bank.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

+ Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNIVERSAL TECHNICAL INSTITUTE, INC.

Date: May 5, 2022

By: /s/ Jerome A. Grant

Name: Jerome A. Grant

Title: Chief Executive Officer (Principal Executive Officer)

PURCHASE AND SALE CONTRACT

BETWEEN

iSTAR NET LEASE I LLC,
a Delaware limited liability company

AS SELLER

AND

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC,
a Delaware limited liability company

AS PURCHASER

PURCHASE AND SALE CONTRACT

THIS PURCHASE AND SALE CONTRACT (this “**Contract**”) is entered into as of February 4, 2022 (the “**Effective Date**”), by and between iStar Net Lease I LLC, a Delaware limited liability company (“**Seller**”), and Universal Technical Institute Ventures LLC, a Delaware limited liability company (“**Purchaser**”).

NOW, THEREFORE, in consideration of mutual covenants set forth herein, Seller and Purchaser hereby agree as follows:

RECITALS

A. Seller holds all of the outstanding Class A Common Shares (the “**Common REIT Interests**”) in 2611 CWD Net Lease I REIT, a Maryland statutory trust (the “**REIT**”).

B. The REIT currently has outstanding one hundred twenty-five (125) Preferred Membership Units (the “**Preferred REIT Interests**”), which are held by certain Preferred Members (each, a “**Preferred REIT Interest Holder**” and collectively, the “**Preferred REIT Interest Holders**”).

C. The REIT is the legal owner and holder of 100% of the membership interests (the “**Mezzanine Company Interests**”) in SFI CWD Venture Manager LLC, a Delaware limited liability company (the “**Mezzanine Company**”; together with REIT, the “**Upper Tier Entities**”).

D. The Mezzanine Company is the legal owner and holder of 72.028% of the membership interests (the “**Property Owner Interests**”; together with the Transferred REIT Interests (UTI) (as defined below) and the Mezzanine Company Interests, collectively, the “**Interests**”) in 2611 Corporate West Drive Venture LLC, a Delaware limited liability company (the “**Property Owner**”; together with the REIT and the Mezzanine Company, the “**Targets**” and each, a “**Target**”).

E. Purchaser, is the legal owner and holder of 27.972% of the Property Owner Interests in Property Owner.

F. The Property Owner owns the real estate listed on the transaction information schedule attached hereto as **Schedule A** (the “**Transaction Information Schedule**”) and as more particularly described in **Exhibit A** attached hereto and made a part hereof, and the improvements thereon.

G. U.T.I. of Illinois, Inc., an Illinois corporation (“**Tenant**”), and an affiliate of Purchaser, is the “Tenant” under the lease for the Land and Improvements described on Schedule B attached hereto (the “**Lease**”).

H. Purchaser desires to purchase, and Seller desires to sell, Forty-Seven and One-Half percent (47.5%) of the Common REIT Interests (the “**Transferred REIT Interests (UTI)**”), on the terms and conditions set forth below.

I. iStar Net Lease I Member LLC, a Delaware limited liability company (“**iStar Buyer**”), and an affiliate of Seller, desires to purchase, and Seller desires to sell, the remaining Fifty-Two and One-Half percent (52.5%) of the Common REIT Interests (the “**Transferred REIT Interests (iStar)**”), on the terms and conditions set forth in that certain Purchase and Sale

Contract dated as of the Effective Date, by and between Seller and iStar Buyer (the “**iStar Contract**”).

Article I
DEFINED TERMS

Unless otherwise defined herein, any term with its initial letter capitalized in this Contract shall have the meaning set forth below:

“**ADA**” shall have the meaning set forth in Section 13.20.

“**Applicable Survival Period**” shall have the meaning set forth in Section 6.3.

“**Broker**” shall have the meaning set forth in Section 9.1.

“**Business Day**” means any day other than a Saturday or Sunday or Federal holiday or legal holiday in the State of Illinois. Unless the references in this Contract to any specific time period expressly uses the capitalized term “**Business Days**”, the number of days for such time period shall be based on calendar days.

“**CERCLA**” shall have the meaning set forth in Section 6.2.

“**Claims**” shall have the meaning set forth in Section 6.2.

“**Closing**” means the consummation of the purchase and sale and related transactions contemplated by this Contract in accordance with the terms and conditions of this Contract.

“**Closing Date**” means February 8, 2022, or such earlier or later date as Purchaser and Seller may mutually agree in writing.

“**Closing Documents**” means the documents required to be delivered pursuant to Section 5.2.

“**Closing Statement Items**” shall have the meaning set forth in Section 5.4.1.

“**Code**” shall have the meaning set forth in Section 2.3.6.

“**Common REIT Interests**” shall have the meaning set forth in the Recitals.

“**Common REIT Interests Assignment**” shall have the meaning set forth in Section 5.2.1.

“**Contest**” shall have the meaning set forth in Section 7.6.3.4.

“**Contract**” shall have the meaning set forth in the introductory paragraph.

“**Declarations and REAs**” means any and all declarations, reciprocal easement agreements or other similar cross-easements, use agreements, covenants or similar agreements governing the use, maintenance or operation of any part of the Property.

“**Effective Date**” shall have the meaning set forth in the introductory paragraph.

“ **Entity Exceptions** ” means the Property Owner LLC Agreement, the Mezzanine Company LLC Agreement, the REIT Declaration of Trust, the REIT Servicing Agreement, the Preferred REIT Interest and the rights of the Preferred REIT Interest Holders thereunder, the Transferred REIT Interests (iStar) and the rights of Seller thereunder (subject to the iStar Contract), the iStar Service Agreement, the Property Owner Certificate, the Mezzanine Company Certificate, the REIT Certificate, and corporate franchise Taxes not yet delinquent.

“ **ERISA** ” shall have the meaning set forth in Section 6.5.10.

“ **Escrow Agent** ” means Chicago Title Insurance Company, 711 Third Avenue, Suite 800, New York, NY 10017, Attention: John Caruso, Telephone: (212) 800-1221, Email Address: john.caruso@ctt.com.

“ **Excluded Property** ” means the Transferred REIT Interests (iStar) and the interest of the Upper Tier Entities in and to (a) 72.028% of all collected and uncollected rent and income attributable to periods prior to the Closing Date in accordance with the terms of the Property Owner LLC Agreement, and any and all other cash or other funds of the Property Owner on hand as of immediately prior to the Closing Date, (b) Seller’s proprietary books and records, (c) the Seller Accounts, (d) any right, title or interest in and to the Seller Marks, each of which shall be excluded from the terms of this Contract, and (e) all rights of “Investor” pursuant to Section 9.5 and Section 9.7 of the Property Owner LLC Agreement to the extent relating to the 2021 and 2022 tax years, together with all rights to indemnification related thereto pursuant to Section 4.6(a) of the Property Owner LLC Agreement.

“ **Existing Loan Agreement** ” means that certain Loan Agreement between the Property Owner and Existing Mortgage Lender dated as of October 13, 2017.

“ **Existing Mortgage Financing** ” means that certain mortgage financing encumbering the Property by the Property Owner in favor of the Existing Mortgage Lender, evidenced, by among other things, (i) the Existing Loan Agreement, (ii) that certain Secured Promissory Note by the Property Owner in favor of Existing Mortgage Lender dated October 13, 2017 in the original principal amount of \$24,000,000.00, and (iii) that certain Mortgage, Assignment of Rents and Lease, Security Agreement and Fixture Filing, dated October 13, 2017 and recorded October 13, 2017 as Instrument No. R2017-106149 with the County Recorder of DuPage County, Illinois.

“ **Existing Mortgage Lender** ” means Western Alliance Bank, an Arizona corporation.

“ **Fixtures and Tangible Personal Property** ” means the interest of the Property Owner in and to all fixtures, furniture, furnishings, fittings, equipment, machinery, apparatus, appliances and other articles of tangible personal property owned by the Property Owner and located on the Land or in the Improvements as of the Effective Date and used or usable in connection with the occupation or operation of all or any part of the Property, but only to the extent transferable. The term “ **Fixtures and Tangible Personal Property** ” does not include (a) the Excluded Property, or (b) property owned or leased by any Tenant or guest, employee or other person furnishing goods or services to the Property.

“ **Fundamental Representations** ” shall have the meaning set forth in Section 6.1.

“ **Fundamental Representations Survival Period** ” shall have the meaning set forth in Section 6.3.

“ **General Representations Survival Period** ” shall have the meaning set forth in Section 6.3.

“**Good Funds**” shall have the meaning set forth in Section 2.2.1.

“**Improvements**” means the fee interest of the Property Owner in and to all buildings and improvements located on the Land, taken “as is.”

“**Individual**” shall have the meaning set forth in Section 7.7.

“**Interests**” shall have the meaning set forth in the Recitals.

“**IRS**” means the Internal Revenue Service.

“**iStar Buyer**” shall have the meaning set forth in the Recitals.

“**iStar Contract**” shall have the meaning set forth in the Recitals.

“**iStar Service Agreement**” means that certain Service Agreement between the REIT and iStar Net Lease Manager I LLC, a Delaware limited liability company, dated as of July 28, 2014.

“**Land**” means all of those certain tracts of land described on Exhibit A, and all rights, privileges and appurtenances pertaining thereto.

“**Lease**” has the meaning set forth in the Recitals.

“**Losses**” means any liability, Claim, cost, loss, judgment, damage or expense (including reasonable attorneys’ fees and expenses).

“**Mezzanine Company**” shall have the meaning set forth in the Recitals.

“**Mezzanine Company Certificate**” means the Mezzanine Company’s Certificate of Formation, dated filed August 2, 2012 with the Delaware Secretary of State.

“**Mezzanine Company Interests**” shall have the meaning set forth in the Recitals.

“**Mezzanine Company LLC Agreement**” means the Amended and Restated Limited Liability Company Agreement of Mezzanine Company, dated as of August 3, 2021.

“**Miscellaneous Property Assets**” means the interest (if any) of the Property Owner in and to all contract rights, leases, concessions, warranties, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property, excluding, however, (a) the Excluded Property, (b) Property Contracts, (c) Lease, and (d) Permits. The term “**Miscellaneous Property Assets**” also shall include: (x) all of the Property Owner’s rights, if any, in and to the name of the Property identified on the Transaction Information Schedule as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller or its affiliates); and (y) all of the Property Owner’s rights, if any, in and to any website for the Property as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller or its affiliates).

“**Must Cure Item**” means any monetary or judgment liens against any Upper Tier Entity.

“**Permits**” means the interest (if any) of the Property Owner in and to all licenses and permits granted to Seller, either Upper Tier Entity or Property Owner by any governmental authority having jurisdiction over the Property and required in order to own and operate the Property, excluding, however, those Permits which, under applicable law, are nontransferable.

“ **Permitted Exceptions** ” shall have the meaning set forth in Section 4.4 .

“ **Pre-Closing Tax Period** ” shall have the meaning set forth in Section 6.5.10 .

“ **Preferred REIT Interest Holder** ” shall have the meaning set forth in the Recitals.

“ **Preferred REIT Interests** ” shall have the meaning set forth in the Recitals.

“ **Prohibited Person** ” means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the “ **Executive Order** ”); (b) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a “specially designated national” or “blocked person” on the most current list published by the U.S. Treasury Department’s Office of Foreign Assets Control (“ **OFAC** ”) at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (d) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (e) a person or entity that is affiliated with any person or entity identified in clause (a), (b), (c) and/or (d) above.

“ **Property** ” means with respect to the real property identified on the Transaction Information Schedule: (a) the Land and Improvements and all rights of the Property Owner, if any, in and to all of the easements, rights, privileges, and appurtenances belonging or in any way appertaining to such Land and Improvements, (b) the Property Contracts, Leases, Permits and the Fixtures and Tangible Personal Property and (c) the Miscellaneous Property Assets owned by the Property Owner which are located on the Property and used in its operation. Notwithstanding anything contained herein to the contrary, in no event shall the Property include the Seller Accounts or the Excluded Property.

“ **Property Contracts** ” means the contracts and agreements listed on the Property Contracts List.

“ **Property Contracts List** ” means the property contract list attached hereto as Schedule 6.1.4 .

“ **Property Owner** ” shall have the meaning set forth in the Recitals.

“ **Property Owner Certificate** ” means the Property Owner’s Certificate of Formation, dated filed August 2, 2012 with the Delaware Secretary of State.

“ **Property Owner Interests** ” shall have the meaning set forth in the Recitals.

“ **Property Owner LLC Agreement** ” means the Amended and Restated Limited Liability Company Agreement of Property Owner, dated as of August 22, 2012.

“ **Property Owner LLC Agreement Amendment** ” shall have the meaning set forth in Section 5.2.2.

“ **Proration Schedule** ” shall have the meaning set forth in Section 5.4.1 .

“ **Purchase Price** ” shall have the meaning set forth in Section 2.2 .

“ **Purchaser** ” shall have the meaning set forth in the introductory paragraph.

“ **Real Estate Investment Trust** ” shall have the meaning set forth in Section 6.1.13.2 .

“ **REIT** ” shall have the meaning set forth in the Recitals.

“ **REIT Certificate** ” means the REIT’s Certificate of Trust, filed May 30, 2014 with the State of Maryland Department of Assessments and Taxation.

“ **REIT Declaration of Trust** ” means the Agreement and Declaration of Trust of the REIT, dated as of July 28, 2014, as amended by that certain Amendment No. 1 to Agreement and Declaration of Trust of the REIT.

“ **REIT Servicing Agreement** ” means that certain Servicing Agreement entered into by the REIT with A5 REIT Services LLC, dated as of September 14, 2014, related to the servicing of the Preferred REIT Interests.

“ **Returns** ” means all reports, estimates, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with, any Taxes, including information returns or reports with respect to backup withholding and other payments to third parties.

“ **Seller** ” shall have the meaning set forth in the introductory paragraph.

“ **Seller Accounts** ” shall have the meaning set forth in Section 5.4.11

“ **Seller Designated Representative** ” shall have the meaning set forth in Section 6.4 .

“ **Seller Marks** ” means all proprietary materials, software, proprietary systems, trade secrets, proprietary information and lists, and other intellectual property owned or used by Seller, the Upper Tier Entities, or an affiliate of Seller in the marketing, operation or use of the Property (or in the marketing, operation or use of any other properties owned by Seller or an affiliate of Seller).

“ **Seller’s Indemnified Parties** ” means Seller and the Targets and each of their respective officers, directors, agents, managers, partners, members, shareholders, beneficiaries, asset managers, employees, representatives and affiliates, representatives, successors and assigns.

“ **Seller’s Possession** ” means in the physical possession of any officer or employee of Seller or either Upper Tier Entity who has primary responsibility for the operation of the Property; provided, however, that any reference in this Contract to Seller’s Possession of any documents or materials expressly excludes the possession of any such documents or materials that (i) are legally privileged or constitute attorney work product, (ii) are subject to a confidentiality agreement or to applicable law prohibiting their disclosure by Seller, or (iii) constitute confidential internal assessments, reports, studies, memoranda, notes or other correspondence prepared by or on behalf of any officer or employee of Seller or any of their affiliates.

“ **Seller’s Property-Related Files and Records** ” shall have the meaning set forth in Section 5.4.10 .

“ **Seller’s Representations** ” shall have the meaning set forth in Section 6.1 .

“ **Shared Accounts** ” shall have the meaning set forth in Section 5.4.11

“ **Surviving Provisions** ” shall have the meaning set forth in Section 13.28 .

“ **Target** ” shall have the meaning set forth in the Recitals.

“ **Tax Representations** ” shall have the meaning set forth in Section 6.1 .

“ **Tax Representations Survival Period** ” shall have the meaning set forth in Section 6.3 .

“ **Tax** ” and “ **Taxes** ” means all taxes, however denominated, including any interest, penalties or other additions to tax that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and state income taxes), payroll and employee withholding taxes, unemployment insurance, social security taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, in each case which the REIT is required to pay, withhold or collect.

“ **Tenant** ” shall have the meaning set forth in the Recitals.

“ **Tenant Deposits** ” means all security deposits, prepaid rentals, cleaning fees and other refundable deposits and fees collected from Tenant, plus any interest accrued thereon, paid by Tenant to the Property Owner pursuant to the Lease. Tenant Deposits shall not include any non-refundable fees paid by Tenant to the Property Owner, either pursuant to the Lease or otherwise.

“ **Title Insurer** ” means Chicago Title Insurance Company, 711 Third Avenue, Suite 800, New York, NY 10017, Attention: John Caruso, Telephone: (212) 800-1221, Email Address: john.caruso@ctt.com.

“ **Transaction Information Schedule** ” shall have the meaning set forth in the Recitals.

“ **Transferred REIT Interests (iStar)** ” shall have the meaning set forth in the Recitals.

“ **Transferred REIT Interests (UTI)** ” shall have the meaning set forth in the Recitals.

“ **Upper Tier Entities** ” shall have the meaning set forth in the Recitals.

“ **Waiver Parties** ” shall have the meaning set forth in Section 6.2 .

Article II PURCHASE AND SALE & PURCHASE PRICE

2.1 **Purchase and Sale** . Seller agrees to sell and convey to Purchaser the Transferred REIT Interests (UTI), and Purchaser agrees to purchase such Transferred REIT Interests (UTI) from Seller, all in accordance with the terms and conditions set forth in this Contract.

2.2 **Purchase Price** . The purchase price for the Transferred REIT Interests (UTI) is the amount set forth in the Transaction Information Schedule under the heading “Purchase Price” (the “ **Purchase Price** ”), which Purchase Price shall be adjusted at Closing for the prorations pursuant to Section 5.4 and as otherwise expressly provided in this Contract, and shall be payable by Purchaser as follows:

2.2.1 [Omitted].

2.2.2 [Omitted].

2.2.3 The Purchase Price for the Transferred REIT Interests (UTI) shall be paid to and received by Escrow Agent by wire transfer of immediately available funds on the Closing Date.

2.3 Escrow Provisions .

2.3.1 [Omitted].

2.3.2 The Tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

2.3.3 [Omitted].

2.3.4 The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, and that Escrow Agent shall not be deemed to be the agent of any of the parties and shall not be liable for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Contract or involving gross negligence or fraud. Seller and Purchaser severally (on a 50/50 basis as between Seller on the one hand and Purchaser on the other) shall indemnify and hold Escrow Agent harmless from and against all costs, Claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Contract or involving negligence, willful misconduct or fraud on the part of the Escrow Agent.

2.3.5 The parties shall deliver to Escrow Agent an executed copy of this Contract. Escrow Agent shall execute the signature page for Escrow Agent attached hereto which shall confirm Escrow Agent's agreement to comply with the terms of any Seller's closing instruction letter delivered at Closing and the provisions of this Section 2.3; provided, however, that (a) Escrow Agent's signature hereon shall not be a prerequisite to the binding nature of this Contract on Purchaser and Seller, and the same shall only become fully effective upon execution and delivery by Purchaser and Seller, and (b) the signature of Escrow Agent will not be necessary to amend any provision of this Contract other than this Section 2.3 and then only to the extent affecting Escrow Agent.

2.3.6 Escrow Agent acknowledges that it is the "real estate reporting person" within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent applicable for this transaction. Escrow Agent shall file a Form 1099-S with the Internal Revenue Service if required by Section 6045.

2.3.7 The provisions of this Section 2.3 shall survive any termination of this Contract, and, if not so terminated, the Closing.

2.4 **Tax Treatment** . Seller and Purchaser shall treat the sale of the Transferred REIT Interests (UTI) as the sale of equity interests in a real estate investment trust for all Tax purposes and shall report the sale consistently for all Tax purposes.

2.5 **Excluded Property** . For the avoidance of doubt, and notwithstanding anything in this Contract to the contrary, the Excluded Property shall not be subject to the terms and provisions of this Contract or included in the transactions contemplated herein.

Article III
PURCHASER'S DILIGENCE; PROPERTY CONTRACTS

3.1 **Diligence Waiver** . Seller and Purchaser hereby acknowledge that Tenant, an affiliate of Purchaser, is currently the sole Tenant at the Property, and that Purchaser owns 27.972% of the Property Owner Interests. As such, Purchaser shall not be afforded any diligence period with respect to evaluating the Property and its purchase of the Transferred REIT Interests (UTI).

3.2 **Property Contracts** . Through the Closing, any Property Contracts to which Property Owner is a party shall be managed in accordance with the Property Owner LLC Agreement. The REIT Servicing Agreement may not be terminated and shall continue to be binding on the REIT from and after the Closing until terminated or amended by the REIT.

Article IV
TITLE

4.1 **Title Documents** . As Purchaser is a member of the Property Owner, Purchaser is in possession of the Property Owner's 2006 ALTA Owner's Policy of Title Insurance with respect to the Property (the "**Existing Title Policy**"). Seller has previously delivered to Purchaser an updated title commitment for the Property from the Title Insurer (the "**Title Commitment**"), together with copies of all instruments identified as exceptions therein (together with the Title Commitment, referred to herein as the "**Title Documents**"). Payment of all costs relating to procurement of the Title Commitment and any new owner's policy of title insurance ("**New Title Policy**") (and any requested endorsements) which Purchaser elects to obtain shall be allocated between Property Owner, as seller, and Purchaser in accordance with local custom in the location of the Property.

4.2 **Survey** . As Purchaser is a member of the Property Owner, Purchaser is in possession of that certain ALTA/NSPS Land Title Survey prepared by V3 Companies, dated April 11, 2014 as Project No. 1135.UTI (the "**Existing Survey**"). Purchaser, at its sole cost and expense, shall satisfy itself with respect to any and all survey matters prior to Closing. Purchaser shall be permitted to obtain an update to the Existing Survey or a new survey at its sole cost and expense (a "**New Survey**"), provided that, for the avoidance of doubt, the receipt of any New Survey shall not be a condition precedent to Purchaser's obligations under this Contract.

4.3 **Cure** . As of the Effective Date, Purchaser has had the opportunity to review the Title Documents, the Existing Survey, and any New Survey. Except as set forth below in this Section 4.3, Purchaser shall have no right to object to the matters contained in the Title Documents, Existing Survey, or any New Survey (or if Purchaser does not elect to obtain a New Survey or an update of the Existing Survey, all matters which would be shown in a current survey of the Property). Except for the Must Cure Items which Seller shall cure on or before the Closing to the reasonable satisfaction of Purchaser, Seller has not agreed to cure any matter in the Title Documents, the Existing Survey, or, if applicable, the New Survey that Purchaser has objected to prior to the Effective Date, and all matters in the Title Documents, the Existing Survey, or any New Survey (or if Purchaser does not elect to obtain a New Survey or an update of the Existing Survey, all matters which would be shown in a current survey of the Property), other than the Must Cure Items, shall be deemed a Permitted Exception. Seller shall be entitled to reasonable adjournments of the Closing Date to cure any Must Cure Items, not to exceed thirty (30) days.

4.4 **Permitted Exceptions** . All of the following shall be deemed “ **Permitted Exceptions** ” for all purposes of this Contract, and the Interests and the Property may be subject (on the Effective Date, at Closing and/or at any other time) to any one or more of the following:

4.4.1 With respect to the Property, all matters (i) shown in the Existing Title Policy, the Title Documents, the Existing Survey and any New Survey, (ii) shown in the public land records of the county where the Property is located, (iii) which would be shown in a current survey of the Property or (iv) which would be disclosed by a physical inspection of the Property, in each case other than any Must Cure Items;

4.4.2 The Lease and Property Contracts and all written matters delivered to Purchaser reflecting the existence or terms of the Lease or Property Contracts, including non-disturbance agreements, notices (or short forms) of Lease or Property Contracts and financing statements pertaining to any Tenant’s property;

4.4.3 Applicable zoning, governmental, subdivision, building and other land use laws, regulations and ordinances;

4.4.4 Any lien created, permitted or suffered by any Tenant;

4.4.5 The lien of real estate Taxes and assessments;

4.4.6 Any installation, service, connection, usage or maintenance charge for sewer, water, electricity, telephone, cable or internet service, and any charges due and payable following the Closing Date under any Declarations and REAs which burden or benefit the Property, in each case subject to adjustment or proration as provided in this Contract;

4.4.7 The lien of the Existing Mortgage Financing, unless Purchaser pays off the Existing Mortgage Financing in full at Closing through the Title Insurer;

4.4.8 Except for any Must Cure Items, all matters affecting title to the Property of which Purchaser or its affiliates (including, without limitation, Tenant) has actual knowledge as of the Effective Date;

4.4.9 Any defects in or objections to title to the Property, or title exceptions or encumbrances, arising by, through or under Purchaser or its consultants or agents;

4.4.10 with respect to the Interests, the Entity Exceptions; and

4.4.11 with respect to the Transferred REIT Interests (iStar), the iStar Contract.

4.5 **Must Cure Items** . Notwithstanding anything in this Article IV to the contrary, Seller shall cure the Must Cure Items at or prior to Closing, and if Seller is diligently pursuing such cure, Seller shall be entitled to an adjournment of the Closing to cure such Must Cure Items, not to exceed thirty (30) days. Purchaser and Seller acknowledge and agree that Seller shall have the right at Closing to apply any portion of Seller’s proceeds for the sale to the cure of any Must Cure Item.

Article V CLOSING

5.1 **Closing Date** . The Closing shall occur on the Closing Date by means of a so called “New York style” escrow through Escrow Agent, whereby Seller, Purchaser and their

attorneys need not be physically present at the Closing and may deliver documents by overnight air courier or other means. Seller and Purchaser agree that delivery of PDF signatures of executed Closing Documents delivered via email to Purchaser, Seller and/or Escrow Agent (and counsel to Purchaser and Seller), as applicable, will be deemed duly delivered in accordance with the terms of this Contract.

5.2 **Seller Closing Deliveries** . No later than one (1) Business Day prior to the Closing Date (other than the signature page to the closing statement, which is to be delivered on the Closing Date), Seller shall deliver to Escrow Agent, each of the following items, as applicable:

5.2.1 An assignment of the Transferred REIT Interests (UTI) (the “ **Common REIT Interests Assignment** ”) in the form attached as **Exhibit B** from Seller to Purchaser, subject to the Entity Exceptions.

5.2.2 An amendment to the Property Owner LLC Agreement (“ **Property Owner LLC Agreement Amendment** ”), which Seller shall cause to be executed by Mezzanine Company, in the form attached hereto as **Exhibit E** .

5.2.3 [Omitted]

5.2.4 Seller’s signature to the closing statement prepared by the Escrow Agent.

5.2.5 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Seller’s authority to consummate this transaction.

5.2.6 Such disclosures and reports as are required by applicable federal, state and local laws in connection with the conveyance of the Transferred REIT Interests (UTI).

5.2.7 An opinion of Katten Muchin Rosenman LLP, outside counsel for the Targets, dated the Closing Date with respect to the REIT’s qualification as a real estate investment trust within the meaning of Section 856 of the Code, with the form of the opinion and accompanying certificate attached hereto as **Exhibit C** .

5.2.8 Any additional documents that Escrow Agent may reasonably require from Seller for the proper consummation of the transactions contemplated by this Contract.

5.2.9 (a) If and to the extent required by the Title Insurer in order to close the transaction, a properly completed and duly executed IRS Form W-9 from Seller certifying as to Seller’s status as a U.S. person within the meaning of Section 7701(a)(30) of the Code, and (b) certificates of Seller respecting the “non-foreign” status of Seller in the form set forth in **Exhibit D** attached hereto and incorporated herein.

5.2.10 Such other instruments as are customarily executed in the jurisdiction where the Property is located to effectuate the consummation of the transactions contemplated by this Contract or as may otherwise be reasonably requested by Purchaser.

5.3 **Purchaser Closing Deliveries** . No later than one (1) Business Day prior to the Closing Date (other than the balance of the Purchase Price and the signature page to the closing statement, each of which is to be delivered on the Closing Date), Purchaser shall deliver to the Escrow Agent (for disbursement to the Seller upon the Closing), each of the following items:

5.3.1 The full Purchase Price, plus or minus if then calculated, the adjustments or prorations required by this Contract.

5.3.2 Any declaration, filing or other statement which may be required to be submitted to the local assessor or any applicable governmental authority, evidencing the change in ownership of the Property Owner.

5.3.3 Purchaser's signature to the closing statement prepared by the Escrow Agent.

5.3.4 A countersigned counterpart of the Common REIT Interests Assignment.

5.3.5 A countersigned counterpart of the Property Owner LLC Agreement Amendment.

5.3.6 Resolutions, certificates of good standing, and such other organizational documents of Purchaser as Title Insurer shall reasonably require evidencing Purchaser's authority to consummate this transaction.

5.3.7 Such disclosures and reports as are required by applicable federal, state and local laws in connection with the conveyance of the Transferred REIT Interests (UTI), including, without limitation, any transfer Tax declarations which are required to be completed.

5.3.8 Any additional documents that Escrow Agent may reasonably require from Purchaser for the proper consummation of the transactions contemplated by this Contract.

5.3.9 Such other instruments as are customarily executed in the jurisdiction where the Property is located to effectuate the consummation of the transaction.

5.4 Closing Prorations and Adjustments .

5.4.1 General. Except as otherwise expressly set forth in this Section 5.4, all normal and customarily proratable items in similar transactions primarily relating to real property, including, without limitation, collected rents and other fees, with respect to the Targets (proratable items with respect to the Property Owner to be further allocated in accordance with Property Owner as seller and Purchaser as purchaser) and the Property shall be prorated as of 11:59 p.m. on the day prior to the Closing Date, the full Closing Date belonging to Purchaser, and Property Owner being charged or credited, as the case may be, for all of the same attributable to the period up to the Closing Date (and credited for any amounts paid by Seller directly (or through the applicable Target) and attributable to the period on or after the Closing Date, if assumed by Purchaser (including through its acquisition of the Targets)) and Property Owner being responsible for, and credited or charged, as the case may be, for all of the same paid by Purchaser directly (or through the Targets) and attributable to the period on and after the Closing Date. Seller shall prepare a proration schedule (the "**Proration Schedule**") of the adjustments described in this Section 5.4 prior to Closing. Such adjustments shall be paid by Purchaser to Property Owner (if the prorations result in a net credit to Property Owner) or by Property Owner to Purchaser (if the prorations result in a net credit to Purchaser), by increasing or reducing the cash to be paid by Purchaser to Seller at Closing, as applicable. Notwithstanding anything to the contrary contained in the Contract, in no event shall Property Owner and Purchaser prorate any items that are paid by the Tenant in accordance with the Lease directly to any third party. Purchaser and Seller shall use commercially reasonable efforts to agree upon all prorations and other items in the closing statement (collectively, the "**Closing Statement Items**") no fewer than two (2) Business Days prior to Closing. In the event the parties have not

agreed on all Closing Statement Items and approved the closing statement prior to two (2) Business Days prior to Closing, Seller's reasonable good faith estimate of Closing Statement Items as set forth on the Proration Schedule shall govern for purposes of the Closing (subject to each party's right to adjust the same pursuant to Section 5.5 hereof).

5.4.2 Operating Expenses. The parties hereto acknowledge that all operating expenses are paid directly by Tenant or paid by Property Owner and reimbursed in full by Tenant. As such, there will be no proration of operating expenses at Closing.

5.4.3 Utilities. There shall be no proration of utilities or meter readings required as all utilities are paid directly by Tenant. Any and all utility deposits and deposits with governmental and quasi-governmental authorities shall remain with the Property Owner and not transferred to Seller; and if such deposits are held by any of the Upper Tier Entities, such amounts shall be transferred to Property Owner prior to the Closing.

5.4.4 Real Estate Taxes. To the extent of any and all real estate ad valorem or similar Taxes for the Property that are the obligation of Tenant pursuant to the Lease, such Taxes will not be subject to proration at Closing.

5.4.5 Property Contracts. At Closing, the obligations under the Property Contracts will continue to be binding on the Property Owner or the REIT, as applicable, to the extent provided or required by the Property Contracts. With respect to any Property Contracts that are not the responsibility of the Tenant, any revenue or expenses thereunder shall be subject to proration at Closing.

5.4.6 Lease. All collected and uncollected rent (whether fixed monthly rentals, additional rentals, escalation rentals, retroactive rentals or other sums and charges payable by Tenant under the Lease) and income from the Property shall be prorated as of the Closing Date. Property Owner shall receive all collected rent and income attributable to dates from and after the Closing Date, with Purchaser receiving its share thereof through its indirect interest in Property Owner as of the Closing. Property Owner shall receive all collected and uncollected rent and income attributable to dates prior to the Closing Date, with Seller receiving its share through its indirect interest in Property Owner immediately prior to the Closing. Notwithstanding the foregoing to the contrary, any Tenant Deposits held by the Property Owner shall remain with the Property Owner and shall not be transferred to Seller and if held by Seller, shall be transferred by Seller to the Property Owner at Closing.

5.4.7 Insurance. 27.972% of all insurance premiums applicable to Property Owner for the period of time prior to the Closing Date shall be the responsibility of the Purchaser, and 72.028% of all such insurance premiums for such period shall be the responsibility of Seller. 62.1835% of all insurance premiums applicable to the Property Owner for the period of time from and after the Closing Date shall be the responsibility of the Purchaser, and 37.8147% of all such insurance premiums for such period of time shall be the responsibility of Seller.

5.4.8 Closing Costs. Purchaser shall pay (i) any premiums or fees required to be paid by Purchaser with respect to obtaining a New Title Policy as set forth in Section 4.1, (ii) the cost of any New Survey if Purchaser so elects to obtain one, (iii) one-half of the customary closing costs of the Escrow Agent, (iv) 27.972% of any mortgage tax, title insurance fees and expenses for any loan title insurance policies or recording charges payable in connection with an assumption, permitted transfer of the equity interests of the Upper Tier Entities, or prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, (v) 27.972% of any loan assumption fees, transfer fees, prepayment fees, or other fees and/or costs

charged by the Existing Mortgage Lender (including without limitation, the reasonable fees of its servicer or respective attorneys) in connection with an assumption, a permitted transfer of the equity interests of the Upper Tier Entities, or prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, and (vi) the fees and expenses of Purchaser's own attorneys, accountants, consultants and advisors. Seller shall pay or cause to be paid (a) any premiums or fees required to be paid by Seller with respect to obtaining a New Title Policy as set forth in Section 4.1, (b) the cost of recording any instruments required to discharge any liens or encumbrances against the Common REIT Interests or the Property by or through Seller, (c) one-half of the customary closing costs of the Escrow Agent, (d) any transfer taxes with respect to the conveyance of the Common REIT Interests or in connection with any direct or indirect equity transfer of the Targets, (e) the fees and expenses of Seller's own attorneys, consultants and advisors, (f) 72.028% of any mortgage tax, title insurance fees and expenses for any loan title insurance policies, recording charges or other amounts payable in connection with an assumption, permitted transfer of the equity interests of the Upper Tier Entities, or prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, and (g) 72.028% of any loan assumption fees or prepayment fees charged by the Existing Mortgage Lender in connection with an assumption, permitted transfer of the equity interests of the Upper Tier Entities, or prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13.

5.4.9 [Omitted].

5.4.10 Files and Records. To the extent in Seller's Possession, originals or copies of the Lease and Property Contracts, lease files, warranties, guaranties, permits, licenses, operating manuals, keys to the Property, Seller's and Target's books and records relating to the Property and the Targets (other than proprietary information) (collectively, "Seller's Property-Related Files and Records") and regarding the Targets and the Property shall be delivered to Property Owner at the Property immediately after the Closing. Purchaser agrees, for a period of not less than three (3) years after the Closing (the "Records Hold Period"), to (a) provide and allow (and to cause Targets to provide and allow) Seller reasonable access to Seller's Property-Related Files and Records upon reasonable prior written notice to Purchaser for purposes of inspection and copying thereof at Seller's sole cost and expense, and (b) reasonably maintain and preserve (and to cause the Targets to reasonably maintain and preserve) Seller's Property-Related Files and Records. If at any time after the Records Hold Period, but prior to the expiration of the applicable statute of limitations, Purchaser or the Targets desire to dispose of Seller's Property-Related Files and Records, Purchaser must first provide Seller prior written notice (the "Records Disposal Notice"). Seller shall have a period of thirty (30) days after receipt of the Records Disposal Notice to enter the Property (or such other location where such records are then stored) and remove or copy those of Seller's Property-Related Files and Records that Seller desires to retain.

5.4.11 Accounts. Notwithstanding anything contained herein to the contrary, all accounts owned, held and/or maintained by or for the benefit of the Upper Tier Entities and/or Seller, and all amounts from time to time on deposit therein (all of the foregoing collectively, the "Seller Accounts"): (i) are and shall remain or become the property of Seller, (ii) shall not be or remain the property of the Targets and (iii) shall not be transferred, assigned or conveyed to Purchaser (either directly or through its acquisition of the Targets) at Closing. Following Closing, Seller shall have the sole right to the Seller Accounts, including, without limitation, the right to cause the disbursement of any funds from time to time in the Seller Accounts. Notwithstanding anything contained herein to the contrary, all accounts owned, held and/or maintained by or for the benefit of the Property Owner, and all amounts from time to time on deposit therein (all of the foregoing collectively, the "Shared Accounts"): (i) are and shall remain the property of the Property Owner and (ii) Seller share through its indirect interests in

Property Owner immediately prior to the Closing of all amounts in the Shared Accounts as of Closing shall be distributed to Seller. Following Closing, if the closing pursuant to the iStar Contract occurs, Seller shall no longer have any rights to the Shared Accounts, including, without limitation, the right to cause the disbursement of any funds from time to time in the Shared Accounts.

5.4.12 Costs Associated with the Purchase of the Transferred REIT Interests (UTI). At Closing, the Purchase Price shall be reduced by 47.5% of the sum of an amount equal to the accrued but unpaid distributions on the Preferred REIT Interests for the Preferred REIT Interest Holders under the REIT Declaration of Trust through and including the Closing Date.

5.4.13 Assumption, Transfer of Interest, or Prepayment of Existing Mortgage Financing.

5.4.13.1 Subject to the following paragraph, Purchaser may pursue Existing Mortgage Lender's approval of either an assumption or consent to the transfer of the equity of the Upper Tier Entities with respect to the Existing Mortgage Financing. If such approval is granted by Existing Mortgage Lender, at Closing, without duplicating any other credit or proration provided for herein, the Purchaser shall receive (i) a credit against the Purchase Price in an amount equal to 34.2133% of the outstanding principal and interest of the Existing Mortgage Financing as of the Closing Date, and (ii) a credit against the Purchase Price from Seller in an amount equal to 72.028% of the reasonably estimated (as provided in writing by Existing Mortgage Lender) prepayment penalty to be imposed by Existing Mortgage Lender against Property Owner for the future prepayment of the Existing Mortgage Financing within ninety (90) days of the Closing Date.

5.4.13.2 In the event Existing Mortgage Lender does not approve an assumption or consent to the transfer of the equity of the Upper Tier Entities with respect to the Existing Mortgage Financing or if Purchaser elects to pay off the Existing Mortgage Financing at Closing for any reason, at Closing the Existing Mortgage Financing shall be prepaid in full, in which case, a portion of the Purchase Price equal to 34.2133% of the outstanding principal and interest of the Existing Mortgage Financing as of the Closing Date shall be applied in repayment of the Existing Mortgage and Purchaser shall cause all remaining amounts due under the Existing Mortgage Financing as of the Closing Date to be paid at the Closing.

5.5 **Post-Closing Adjustments**. Purchaser or Seller may request that Purchaser and Seller undertake to re-adjust any item on the Proration Schedule (or any item omitted therefrom); provided, however, that neither party shall have any obligation to re-adjust any items for the Targets or the Property (a) after the expiration of one hundred eighty (180) days after Closing, and (b) subject to such 180-day period, unless such items exceed \$5,000.00 in magnitude (either individually or in the aggregate); provided further, however, that the immediately preceding proviso shall not apply to real estate Taxes. Notwithstanding the foregoing or anything contained herein to the contrary, for the avoidance of doubt, in no event shall the terms and provisions of this Section 5.5 affect Purchaser's or any Target's obligations and covenants set forth in Section 7.6.2, Section 7.6.3, and Section 7.7.

Article VI
REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

6.1 **Seller's Representations** . Except in all cases for any fact, information or condition disclosed in the Existing Title Policy and the Title Commitment (and within any document referenced therein), the Permitted Exceptions, the Property Contracts delivered to Purchaser, or of which Purchaser otherwise has actual knowledge, Seller represents and warrants (as qualified by (i) any schedules to this Contract and (ii) pursuant to Section 13.31, any permitted amendments or supplements to such schedules and/or any new schedules to this Contract) to Purchaser the following (collectively, the “**Seller's Representations**”) as of the Effective Date and as of the Closing Date; provided that Purchaser's remedies prior to Closing if any such Seller's Representations are untrue as of the Closing Date are limited to those set forth in Section 8.1, provided, further however, that if untruthfulness of any such representation or warranty is caused, directly or indirectly, by any default by Seller under this Contract, Purchaser shall be entitled to exercise its rights and remedies under Section 10.2 below:

6.1.1 Seller is validly existing and in good standing under the laws of the state of its formation set forth in the Transaction Information Schedule; has the entity power and authority to sell and convey the Transferred REIT Interests (UTI) and to execute the documents to be executed by Seller and has taken all corporate, partnership, limited liability company or equivalent entity actions and obtained all necessary consents required for the execution and delivery of this Contract, and the consummation of the transactions contemplated by this Contract. Neither the execution and delivery of this Contract nor the compliance with or fulfillment of the terms and conditions hereof, will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract or other agreement or instrument to which Seller or the Upper Tier Entities or the Property Owner are a party or by which Seller or the Upper Tier Entities or the Property Owner are otherwise bound or violate any applicable law or legal requirement, which conflict, breach, default or violation would have an adverse effect on Seller's ability to consummate the transaction contemplated by this Contract or on the Transferred REIT Interests (UTI), or the Upper Tier Entities or the Property Owner, or would be binding upon Purchaser or the Upper Tier Entities or the Property Owner following Closing. This Contract is a valid and binding agreement, enforceable against Seller in accordance with its terms.

6.1.2 Seller is not a “foreign person” as that term is used and defined in Code Section 1445.

6.1.3 There are no actions, proceedings, litigation or governmental investigations or condemnation actions either pending or, to Seller's knowledge, threatened in writing against either of the Upper Tier Entities or the Property Owner which could reasonably be expected to adversely impact Seller's ability to convey the Transferred REIT Interests (UTI) to Purchaser.

6.1.4 There are no Property Contracts to which Seller or either Upper Tier Entity is a party other than the REIT Servicing Agreement and the iStar Service Agreement. Seller has delivered or made available to Purchaser true and complete copy of the REIT Servicing Agreement and the iStar Service Agreement.

6.1.5 The Upper Tier Entities and the Property Owner are validly existing and in good standing under the laws of the state of their formation.

6.1.6 The Common REIT Interests constitute 100% of the outstanding Class A Common Shares in the REIT. Seller owns 100% of the Transferred REIT Interests (UTI), free

and clear of all liens, pledges, security interests, pledge, charges, Claims or other encumbrances. The Transferred REIT Interests (UTI) have been duly authorized, are validly issued, fully paid and non-assessable. The Transferred REIT Interests (iStar) and the Preferred REIT Interests constitute the only other outstanding equity interests in the REIT. Neither the Common REIT Interests nor the Preferred REIT Interests were issued in violation of the preemptive rights of any person or entity or any agreement or laws by which the REIT at the time of issuance was bound. The REIT owns 100% of the limited liability company interests in the Mezzanine Company, free and clear of all liens, pledges, security interests, pledge, charges, Claims or other encumbrances, other than Entity Exceptions. The limited liability company interests in the Mezzanine Company were not issued in violation of the preemptive rights of any person or entity or any agreement or laws by which the Mezzanine Company at the time of issuance was bound. There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character, in each case of or issued by Seller or either Upper Tier Entity, relating to the capital stock of the REIT or limited liability company interests in the Mezzanine Company or the Property Owner or obligating Seller, the REIT or the Mezzanine Company or the Property Owner, as applicable, to issue or sell any shares of capital stock of, or any other ownership interest in, the REIT or any other Target. None of the REIT, the Mezzanine Company or the Property Owner have any outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings that will remain in effect with respect to the voting or transfer of any of the Transferred REIT Interests (UTI) or any of the limited liability company interests in the Mezzanine Company after Closing, except with respect to the REIT, the REIT Declaration of Trust, REIT Certificate, the REIT Servicing Agreement and the iStar Service Agreement.

6.1.7 Neither of the Upper Tier Entities nor the Property Owner has any employees.

6.1.8 The execution, delivery and performance by Seller of the transactions contemplated by this Contract do not and will not (1) violate any applicable code, resolution, law, statute, regulation, ordinance, judgment, rule, decree or order binding on Seller, or either Upper Tier Entity or Property Owner or (2) result in the creation of any lien, charge or encumbrance (other than this Contract) upon the Interests.

6.1.9 Neither Upper Tier Entity has any assets or indebtedness, liabilities, obligations, guarantees, indemnities, losses, costs and expenses of any kind and description, whether accrued, absolute or contingent, direct or indirect, or matured or unmatured, other than (i) the Mezzanine Company Interests and the Property Owner Interests, as applicable, (ii) the Permitted Exceptions, and (iii) current obligations with respect to 2021 Delaware and Maryland franchise Taxes. Since their respective inception, (a) the Mezzanine Company has not owned any assets, operated any business other than its direct ownership of the Property Owner Interests, or been a party to any contract or agreement other than the Property Owner LLC Agreement, and (b) the REIT has not owned any assets, operated any business other than its direct ownership of the Mezzanine Company Interests, or been a party to any contract or agreement other than the Mezzanine Company LLC Agreement and the REIT Servicing Agreement, (c) the Property Owner has not owned any assets other than the Property, operated any business other than its direct ownership of the Property, or been a party to any contract or agreement other than the Property Contracts, and (d) the Property Owner has no liabilities, obligations, guaranties, indemnities, losses, costs and expenses of any kind and description, whether accrued, absolute or contingent, direct or indirect, or matured or unmatured, other than (i) the Existing Mortgage Financing, (ii) the Property Contracts, (iii) the Lease, (iv) the Permitted Exceptions, (v) general organizational expenses incurred in the ordinary course (i.e. franchise taxes in all applicable jurisdictions), and (vi) any liabilities, obligations, guaranties, indemnities, losses, costs or

expenses for which (y) have been discharged, or (z) Tenant is obligated to pay directly or reimburse Property Owner pursuant to the Lease.

6.1.10 None of Seller or the Upper Tier Entities has (1) made a general assignment for the benefit of creditors, (2) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by their respective creditors, (3) suffered the appointment of a receiver to take possession of all or substantially all of their respective assets, (4) suffered the attachment or other judicial seizure of all, or substantially all, of their respective assets or (5) made an offer of settlement, extension, or composition to their respective creditors generally.

6.1.11 The REIT Certificate, the REIT Declaration of Trust, the Mezzanine Company Certificate, the Mezzanine Company LLC Agreement, the Property Owner Certificate and the Property Owner LLC Agreement (each as the same have been amended to date) are in full force and effect and true and complete copies thereof have been made available by Seller to Purchaser. Such organizational documents contain the entire agreement between the parties thereto.

6.1.12 None of Seller or the Upper Tier Entities is a Prohibited Person. To Seller's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Contract is a Prohibited Person. The assets Seller will transfer to Purchaser under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person. The assets Seller will transfer to Purchaser under this Contract are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

6.1.13 Tax Representations:

6.1.13.1 The Mezzanine Company at all times has been treated as an entity disregarded as separate from its owner, the REIT, as described in Treas. Reg section 301.7701-3(b)(1)(ii) since May 30, 2014.

6.1.13.2 From the taxable year ending December 31, 2014 through Closing (a) the REIT has been treated and has qualified as a "real estate investment trust" as defined in Code Section 856-860 ("**Real Estate Investment Trust**"); provided, however, in making such representation, it is assumed that the REIT will make consent dividends within the meaning of Code Section 565 necessary to meet this requirement with respect to distributions in Code Section 857(a)(1) for the tax year ending December 31, 2021; (b) the REIT has met the requirements under Code Section 856(a) of the Code to be treated as a Real Estate Investment Trust, so that: (i) the gross income of REIT has met the tests provided in Code Sections 856(c)(2) and (3); (ii) the assets of REIT have met the tests provided in Code Section 856(c)(4) of the Code, including for the avoidance of doubt, as of the Closing (assuming for this purpose that the REIT's taxable year that includes the Closing Date ends on the Closing Date, and determined without regard to any action taken by Purchaser after the Closing); and (iii) the REIT has met the ownership, management and operations tests of Code Section 856(a)(1)-(6), as applicable; and (c) the REIT has not taken any action or omitted to take any action so as to fail to qualify as a Real Estate Investment Trust and has not taken or omitted to take any action that could reasonably be expected to result in a challenge by the IRS or any other governmental authority as to the status of the REIT as a Real Estate Investment Trust and there is no such challenge pending or, to Seller's knowledge, threatened in writing by an applicable taxing authority; and (d) Seller is not aware of any fact that would adversely affect the ability of the

REIT to continue to qualify as a Real Estate Investment Trust under any REIT qualification tests.

6.1.13.3 All material Returns required to be filed by or on behalf of the Upper Tier Entities have been duly filed on a timely basis (taking into account any valid extensions of time to file) and such Returns are true, complete and correct in all material respects. All material Taxes of the Upper Tier Entities required to be paid by the Upper Tier Entities have been paid in full on a timely basis (taking into account any valid extensions of time to file), except, as set forth of Schedule 6.1.13.3, any Taxes which (a) are not delinquent, (b) remain payable without penalty, or (c) are being contested in good faith through appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP. The Upper Tier Entities have withheld and paid over all material Taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor, or other third party. There are no liens on any material asset of the Upper Tier Entities with respect to Taxes, other than liens for Taxes which (i) are not delinquent, (ii) remain payable without penalty, or (iii) are being contested in good faith through appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP, with such liens are listed and set forth on Schedule 6.1.13.3.

6.1.13.4 Neither of the Upper Tier Entities are a party to any action, audit, examination, investigation or proceeding for assessment or collection of a material amount of Taxes, nor, to Seller's knowledge, has such event been asserted or threatened in writing against the Targets or any of their assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of the Upper Tier Entities.

6.1.13.5 Neither of the Upper Tier Entities have participated in a "listed transaction" within the meaning of Treasury Reg. §1.6011-4(c).

6.1.13.6 The Upper Tier Entities have not distributed stock of another Person or had their stock distributed by another Person in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Code.

6.1.13.7 The Upper Tier Entities have not requested any private letter rulings from the IRS or comparable rulings from other Tax authorities and have not entered into any "closing agreement" as described in Section 7121 of the Code or similar arrangement under comparable state or local Tax law.

6.1.13.8 Neither of the Upper Tier Entities have received a written Claim by any Taxing Authority in a jurisdiction where the Upper Tier Entities do not file Returns that they are or may be subject to income taxation by that jurisdiction. Seller has not filed Returns with respect to either Upper Tier Entity in any U.S. state other than the state in which the Property is located.

6.1.13.9 The Upper Tier Entities have never been members of an affiliated combined, consolidated or unitary tax group, and have no liability

for the Taxes of any Person under Section 1.1502-6 of the Treasury Regulations (or similar provision under state, local or foreign Tax law), as a transferee or successor, pursuant to a Tax sharing, Tax indemnity, or Tax allocation agreement or other written Contract (except for this Contract or any other contract entered into in the ordinary course of business the principal purpose of which is not related to Taxes)

6.1.13.10 The REIT does not have any earnings and profits attributable to any “non-REIT year” (within the meaning of Section 857 of the Code).

6.1.13.11 Neither of the Upper Tier Entities have acquired assets subject to any rules similar to Section 337(d) of the Code and/or Treasury Regulations thereunder.

6.1.13.12 To Seller’s knowledge, neither of the Upper Tier Entities have engaged in any transaction that has given rise to material “redetermined rents,” “redetermined deductions,” or “excess interest” each as described in Section 857(b)(7) of the Code.

6.1.13.13 During the period beginning with the first day of its first taxable year ending December 31, 2014, and ending on the Closing Date, the REIT has not disposed of any asset in one or more transactions properly treated as a “prohibited transaction” within the meaning of Section 857(b)(6) of the Code.

6.1.13.14 The amount of “impermissible tenant services income” within the meaning of Section 856(d)(7) of the Code, if any, is less than one percent (1%) of the income for the Property for all periods through the Closing Date, and the REIT is not receiving or accruing any income, directly or indirectly, that would be excluded from “rents from real property” pursuant to Section 856(d) of the Code in an amount that would reasonably be expected to cause the REIT to fail to qualify as a REIT.

6.1.13.15 The tax basis in each asset of the REIT exceeds any indebtedness on such asset.

6.1.14 Except for the Broker, the fees and expenses of which are the sole responsibility of, and will be paid by, the Seller, no broker, investment banker, financial advisor or other person is entitled to any broker’s, finder’s, financial advisor’s or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Contract based upon arrangements made by or on behalf of Seller, the Upper Tier Entities or the Property Owner.

The representations and warranties set forth in Section 6.1.13.1 are referred to herein as the “**Tax Representations**” and constitute the sole and exclusive representations and warranties of Seller with respect to any Tax matters. The representations and warranties set forth in Sections 6.1.1 (but only the first sentence of Section 6.1.1), 6.1.5, 6.1.6, 6.1.12 and 6.1.14 are referred to herein as the “**Fundamental Representations**”.

6.2 **AS-IS**. Subject to the Seller’s Representations and the covenants and indemnities of Seller set forth in this Contract, the Interests, through the assignment of the Transferred REIT Interests (UTI) to Purchaser, are being conveyed and transferred to Purchaser in an “**AS IS, WHERE IS**” condition and “**WITH ALL FAULTS**” as of the Effective Date and as of Closing.

Except for Seller's Representations and the covenants and indemnities of Seller set forth in this Contract, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or the Upper Tier Entities or by any partner, officer, person, firm, agent, attorney or representative acting or purporting to act on behalf of Seller or the Targets as to (a) the condition or state of repair of the Property; (b) the compliance or non-compliance of the Interests, the Targets or the Property with any applicable laws, regulations or ordinances (including, without limitation, any applicable zoning, building or development codes); (c) the value, expense of operation, or income potential of the Interests, Targets or the Property; (d) any other fact or condition which has or might affect the Interests, the Targets or the Property or the condition, state of repair, compliance, value, expense of operation or income potential of the Interests, the Targets, the Property or any portion thereof; or (e) whether the Property contains asbestos or harmful or toxic substances or pertaining to the extent, location or nature of same. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Contract and the Exhibits hereto annexed, which alone fully and completely express their agreement, and that this Contract has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Contract or the Exhibits annexed hereto.

Purchaser waives its and their respective rights to recover from, and forever releases and discharges the Seller's Indemnified Parties from any and all demands, claims (including, without limitation, causes of action in tort), legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen (collectively, "**Claims**"), that may arise on account of or in any way be connected with the Interests, the Targets or the Property, the physical condition thereof, or any law or regulation applicable thereto (including, without limitation, claims under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 6901, et seq.) ("**CERCLA**"), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (49 U.S.C. Section 1801, et seq.), the Hazardous Transportation Act (42 U.S.C. Section 6901, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.)), provided, however, that the foregoing release shall not affect or limit in any way Seller's obligations hereunder following Closing arising out of a breach of Seller's Representations or Seller's covenants and indemnities of Seller set forth in this Contract or Seller's fraud or intentional material misrepresentation. Without limiting the foregoing but subject to Seller's Representations, covenants and indemnities set forth in this Contract and Seller's fraud and intentional material misrepresentation, Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller and all Seller's Indemnified Parties from any and all Claims arising out of latent or patent defects or physical conditions of the Property, violations of applicable laws (including, without limitation, any environmental laws) relating to the Property. As part of the provisions of this Section 6.2, but not as a limitation thereon, Purchaser hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known or disclosed, and Purchaser hereby waives any and all rights and benefits which it now has, or in the future may have conferred upon it, by virtue of the provisions of federal, state or local law, rules and regulations, provided however, that the foregoing release shall not affect or limit in any way Seller's obligations hereunder following Closing arising out of a breach of Seller's Representations, covenants and indemnities set forth in this Contract. Purchaser agrees that should any cleanup, remediation or removal of hazardous substances or other environmental conditions on or about the Property be required after the date of Closing, such clean-up, removal or remediation shall not be the responsibility of Seller. Without limiting the foregoing, Purchaser hereby agrees that, if at any time after the Closing, any third-party or governmental authority

seeks to hold Purchaser or the Targets responsible for the presence of, or any loss, cost or damage associated with, hazardous substances in, on, above or beneath the Property or emanating therefrom, then Purchaser waives on behalf of itself and the Targets and on behalf of each of their respective successors and assigns and each and all of its and their respective direct and indirect members, officers, directors, employees, parents, affiliates or subsidiaries and each of their respective successors and assigns (collectively the “**Waiver Parties**”), any rights Purchaser or any Waiver Party may have against Seller in connection therewith, including under CERCLA, and Purchaser agrees for itself and all Waiver Parties that neither Purchaser nor any of the Waiver Parties shall (1) implead Seller, (2) bring a contribution action or similar action against Seller or (3) attempt in any way to hold Seller responsible with respect to any such matter.

The waivers and releases set forth this Section 6.2 include Claims of which Purchaser or any Waiver Party is presently unaware or which Purchaser or any Waiver Party does not presently suspect to exist which, if known by Purchaser or a Waiver Party, would materially affect Purchaser’s and such Waiver Party’s waiver or release of Seller and the other parties referenced in this Section.

The provisions of this Section 6.2 shall survive the Closing.

6.3 Survival of Seller’s Representations . Seller and Purchaser agree that (i) Seller’s Representations (other than the Fundamental Representations and the Tax Representations) shall survive the Closing for a period of six (6) months (the “**General Representations Survival Period**”); (ii) the Fundamental Representations shall survive the Closing for a period of three (3) years, except that (A) the Fundamental Representation set forth in Section 6.1.9 shall survive Closing for the applicable statute of limitations and (B) the Fundamental Representations set forth in Sections 6.1.12 shall survive the Closing for a period of three (3) years (as applicable, the “**Fundamental Representations Survival Period**”), and (iii) the Tax Representations shall survive the Closing for a period of thirty (30) days following the expiration of the applicable statute of limitations (the “**Tax Representations Survival Period**”) (the General Representations Survival Period, the Fundamental Representations Survival Period and the Tax Representations Survival Period, as applicable to the Seller’s Representations covered thereby as set forth in this Section 6.3 above, the “**Applicable Survival Period**”). Seller shall not have any liability after the Applicable Survival Period with respect to any of Seller’s Representations contained herein (which are subject to such Applicable Survival Period) except to the extent that (a) Purchaser has delivered written notice to Seller during such Applicable Survival Period alleging that Seller is in breach of any such Seller’s Representations (which are subject to such Applicable Survival Period) and specifying in reasonable detail the nature of such breach, and (b) Purchaser has commenced litigation against Seller by filing and serving a lawsuit, for breach of any such Seller’s Representations (which are subject to such Applicable Survival Period) within thirty (30) days following the expiration of the Applicable Survival Period. Purchaser shall not be entitled to bring any Claim arising out of (A) any breaches of any of Seller’s Representations, and/or (B) all other representations, warranties, liabilities, covenants, indemnities and/or obligations of Seller under this Contract unless the Claim for Losses (either in the aggregate or as to any individual Claim) by Purchaser for all such matters exceeds \$50,000.00 (in which case Seller shall be liable back to the first dollar). In the event that Seller breaches any of Seller’s Representations and Purchaser had actual knowledge of such breach (i) upon Purchaser’s execution and delivery of this Contract, and Purchaser nevertheless executes and delivers this Contract, or (ii) at or prior to Closing, and Purchaser nevertheless elects to close, then in each case Purchaser shall be deemed to have waived any of its rights in connection therewith and Seller shall not have any liability in connection therewith. Seller shall not have any liability in connection with a breach of any of Seller’s Representation which is due to the acts or omissions of Purchaser, Tenant, or any affiliate of either Purchaser or Tenant. Notwithstanding anything

contained herein to the contrary, (1) Seller shall have no obligation or liability hereunder to the extent that Purchaser or any of its agents or affiliates has taken, or failed to take, any action that, in Seller's sole discretion, would prevent the REIT from qualifying as a REIT for U.S. federal income tax purposes, (2) Seller's obligations to Purchaser pursuant to this Section 6.3 with respect to the Tax Representations (x) shall not apply to any Taxes that are to be prorated between Seller and Purchaser pursuant to Sections 5.4.1, 5.4.4 and 7.6.1.2, and (y) shall be handled solely pursuant to Section 7.6.6, and (3) Seller shall have no obligation nor liability hereunder for any Claims, liabilities, Taxes, costs, losses or obligations incurred by Purchaser in connection with any action, or inaction, taken by the Purchaser or any of its agents or affiliates on behalf of the REIT or taken by the REIT or any of its agents or affiliates while the REIT is owned by Purchaser.

PURCHASER IS FAMILIAR WITH, AND HEREBY WAIVES ITS RIGHTS, IF ANY, AT LAW OR IN EQUITY TO COMMENCE A LEGAL ACTION OR PROCEEDING AGAINST SELLER RELATING TO THE PROPERTY OR THE INTERESTS OR A BREACH OF A REPRESENTATION, WARRANTY, COVENANT OR CONDITION MADE IN THIS CONTRACT BY SELLER OR IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREIN, AT ANY TIME AFTER THE EXPIRATION OF THE APPLICABLE SURVIVAL PERIOD (OR THE EXPIRATION OF THE THIRTY (30) DAY PERIOD FOLLOWING THE EXPIRATION OF THE APPLICABLE SURVIVAL PERIOD IF PROPER WRITTEN NOTICE IS DELIVERED PURSUANT TO THIS SECTION 6.3).

Purchaser indicates its acknowledgment of the foregoing provisions of this Section 6.3 by initialing below:

Purchaser Initials: _____

6.4 **Definition of Knowledge** . For purposes of this Contract, the term “**knowledge**” shall mean (i) with respect to Seller, the actual knowledge of the “Seller's Designated Representative” of Seller, without any duty of inquiry or investigation (or the imposition of any individual personal liability upon such Seller Designated Representative), and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Seller, or any affiliate of Seller (including, without limitation, the Targets), and (ii) with respect to Purchaser, (A) the actual knowledge of the “Purchaser Designated Representative” of Purchaser (without the imposition of any individual personal liability upon such Purchaser Designated Representative), (B) any matter disclosed in any exhibits or schedules to this Contract (as updated from time to time pursuant to this Contract), and (C) any matter disclosed by any investigations of the Property performed by Purchaser (including, without limitation, the Phase I Report). As used herein, the term “**Seller Designated Representative**” shall refer to Matt Ballinger, being the asset manager responsible for the disposition of the Property, and being an individual possessing the requisite familiarity with the Targets in order to determine the veracity of the representations made by Seller herein, and the term “actual knowledge” shall mean, with respect to the Seller Designated Representative, the conscious awareness of such Seller Designated Representative at the time in question, and expressly excludes any constructive or implied knowledge of such Seller Designated Representative. As used herein, the term “**Purchaser Designated Representative**” shall refer to Troy Anderson, and being an individual possessing the requisite familiarity with the Purchaser in order to determine the veracity of the representations made by Purchaser herein, and the term “actual knowledge” shall mean, with respect to the Purchaser Designated Representative, the conscious awareness of such Purchaser Designated Representative at the time in question, and expressly excludes any constructive, imputed or implied knowledge of any such Purchaser Designated Representative.

6.5 Representations and Warranties of Purchaser . For the purpose of inducing Seller to enter into this Contract and to consummate the sale and purchase of the Transferred REIT Interests (UTI) in accordance herewith, Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

6.5.1 Purchaser is a limited liability company duly organized or formed, validly existing and in good standing under the laws of Delaware.

6.5.2 Purchaser, acting through any of its or their duly empowered and authorized officers or members, has all necessary entity power and authority to own and use its properties and to transact the business in which it is engaged, and has full power and authority to enter into this Contract, to execute and deliver the documents and instruments required of Purchaser herein, and to perform its obligations hereunder; and no consent of any of Purchaser's partners, directors, officers or members are required to so empower or authorize Purchaser to execute and deliver this Contract which has not been heretofore obtained. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Purchaser is a party or by which Purchaser is otherwise bound, which conflict, breach or default would have a material adverse effect on Purchaser's ability to consummate the transaction contemplated by this Contract. This Contract is a valid, binding and enforceable agreement against Purchaser in accordance with its terms.

6.5.3 No pending or, to the knowledge of Purchaser, threatened litigation exists involving Purchaser which if determined adversely would restrain the consummation of the transactions contemplated by this Contract or would declare illegal, invalid or non-binding any of Purchaser's obligations or covenants to Seller.

6.5.4 Other than Seller's Representations, Purchaser has not relied on any representation or warranty made by Seller or any representative of Seller (including, without limitation, Broker) in connection with this Contract and the acquisition of the Transferred REIT Interests (UTI) (and an interest in the Property through the acquisition of the Transferred REIT Interests (UTI)).

6.5.5 The Broker and its affiliates do not, and will not at the Closing, have any direct or indirect legal, beneficial, economic or voting interest in Purchaser (or in an assignee of Purchaser, which pursuant to Section 13.3, acquires the Transferred REIT Interests (UTI) at the Closing), nor has Purchaser or any affiliate of Purchaser granted (as of the Effective Date or the Closing Date) the Broker or any of its affiliates any right or option to acquire any direct or indirect legal, beneficial, economic or voting interest in Purchaser.

6.5.6 Purchaser is not a Prohibited Person.

6.5.7 To Purchaser's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Contract is a Prohibited Person.

6.5.8 The funds or other assets Purchaser will transfer to Seller under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

6.5.9 The funds or other assets Purchaser will transfer to Seller under this Contract are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

6.5.10 (a) Purchaser is not an employee benefit plan as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 (“**ERISA**”), which is subject to Title I of ERISA, or a “plan” as defined in Code Section 4975; (b) the assets of Purchaser do not constitute “plan assets” of one or more such plans for purposes of Title I of ERISA or Code Section 4975; (c) Purchaser is not a “governmental plan” within the meaning of Section 3(32) of ERISA, and assets of Purchaser do not constitute plan assets of one or more such plans; and (d) transactions by or with Purchaser are not in violation of state statutes applicable to Purchaser regulating investments of and fiduciary obligations with respect to governmental plans.

Article VII OPERATION OF THE PROPERTY

7.1 General Operations of the Property; Leases and Property Contracts . During the period of time from the Effective Date through Closing, the Property shall be operated by the Property Owner in the ordinary course of business consistent with past practices and in accordance with the terms of the Property Owner LLC Agreement.

7.2 Operation of the REIT . Unless otherwise agreed to in writing by Purchaser and except as otherwise expressly permitted by this Contract, during the period of time from the Effective Date through Closing, Seller will not approve or take any action causing the REIT to: (a) own any assets, incur any liabilities, enter into any contracts or operate any business other than its direct ownership of the Mezzanine Company Interests; (b) issue any new shares or other interests, (c) amend the REIT Declaration of Trust or the REIT Certificate; (d) except pursuant to the iStar Contract, sell, directly or indirectly, any interest in the Mezzanine Company, including any Mezzanine Company Interests, (e) (i) lose its qualification and/or ability to qualify as a Real Estate Investment Trust for federal income tax purposes, and/or (ii) cause the REIT to be liable for federal income Tax under Section 857(b) or 4981 of the Code, or (f) agree to do any of the foregoing.

7.3 Operation of the Mezzanine Company . Unless otherwise agreed to in writing by Purchaser and except as otherwise expressly permitted by this Contract, during the period of time from the Effective Date through Closing, Seller will not, and will cause the REIT not to, approve or take any action causing the Mezzanine Company to: (a) own any assets, incur any liabilities, enter into any contracts or operate any business other than its direct ownership of the Property Owner Interests; (b) issue any new shares or other interests; (c) amend the Mezzanine Company Certificate or the Mezzanine Company Operating Agreement; (d) except pursuant to the iStar Contract, sell, directly or indirectly, any interest in the Property Owner, including any Property Owner Interests, or (e) agree to do any of the foregoing.

7.4 Operation of the Property Owner . During the period of time from the Effective Date through Closing, the Property Owner shall be managed in the ordinary course consistent with past practices and in a manner in accordance with the terms of the Property Owner LLC Agreement and as contemplated by this Contract. In furtherance of the foregoing, Seller will not, and will cause Mezzanine Company not to, approve or take any action causing the Property Owner to (a) own any assets other than the Property, or incur any liabilities, enter into any contracts or operate any business other than in connection with its ownership of the Property; (b) issue any new shares or other interests, (c) amend the Property Owner Certificate or the Property Owner LLC Agreement; (d) except pursuant to the iStar Contract, sell, directly or indirectly, any interest in the Property Owner, including any Property Owner Interests, (e) enter into any new or modify or terminate any existing, Property Contract or any other agreement affecting the Property or (f) agree to do any of the foregoing.

7.5 **Liens** . Seller covenants that it will not, and Seller will not permit the Upper Tier Entities or the Property Owner to, voluntarily create or voluntarily grant any lien or encumbrance to attach to the Interests or the Property (which in any event will not include (A) any lien created, permitted or suffered by any Tenant or (B) any Permitted Exception) between the Effective Date and the Closing Date (other than in accordance with the Property Owner LLC Agreement) unless Purchaser approves such lien or encumbrance, which approval shall not be unreasonably withheld, conditioned or delayed.

7.6 **Tax Matters** .

7.6.1 Tax Contests .

7.6.1.1 Taxable Period Terminating Prior to Closing Date . Seller shall retain the right to commence, continue and settle (on Seller's behalf or on behalf of the Upper Tier Entities) any proceeding to contest any Taxes for any taxable period which terminates prior to the Closing Date, and Seller shall be entitled to any refunds or abatement of Taxes awarded in such proceedings.

7.6.1.2 Taxable Period Including the Closing Date . Seller shall have the right to commence, continue and settle (on Seller's behalf or on behalf of the Targets) any proceeding to contest any Taxes for any taxable period which includes the Closing Date. Notwithstanding the foregoing, if Purchaser desires to contest any Taxes for such taxable period (on Purchaser's behalf or on behalf of the Targets) and Seller and iStar Buyer have not commenced (and Seller and iStar Buyer have not caused the Targets to commence) any proceeding to contest any such Taxes for such taxable period, Purchaser shall provide written notice requesting that Seller contest (or that Seller cause the Targets to contest) such Taxes. If Seller desires to contest (or if Seller desires to cause the Targets to contest) such Taxes, Seller shall provide written notice to Purchaser within thirty (30) days after receipt of Purchaser's request confirming that Seller will contest (or that Seller will cause the Targets to contest) such Taxes. If Seller fails to provide such written notice confirming that Seller will contest (or that Seller will cause the Targets to contest) such Taxes within such thirty (30) day period, Purchaser shall have the right to contest (or Purchaser shall have the right to cause the Targets to contest) such Taxes. Any refunds or abatements awarded in such proceedings shall be used first to reimburse the party contesting such Taxes for the reasonable costs and expenses incurred by such party in contesting such Taxes and the remainder of such refunds or abatements shall be prorated between Seller and Purchaser as of the Closing Date, and the party receiving such refunds or abatements shall promptly pay (or cause to be paid) such prorated amount due to the other party.

7.6.1.3 Taxable Period Commencing After the Closing Date . Subject to iStar Buyer's rights as owner of the Transferred REIT Interests (iStar), the Purchaser shall have the right to commence, continue and settle (on Purchaser's behalf or on behalf of the Targets) any proceedings to contest Taxes for any taxable period which commences after the Closing Date, and shall be entitled to any refunds or abatements of Taxes awarded in such proceedings.

7.6.1.4 Cooperation . Seller and Purchaser shall use commercially reasonable efforts to cooperate (and shall cause the Targets to cooperate) with the party contesting the Taxes (at no cost or expense to the party not contesting the

Taxes other than any de minimis cost or expense or any cost or expense which the requesting party agrees in writing to reimburse).

7.6.1.5 The provisions of this Section 7.6.1 shall survive Closing.

7.6.2 No 338 Election. None of the Purchaser, the REIT or any affiliate shall make any election under Section 338 of the Code with respect to the transactions contemplated by this Contract. The provisions of this Section 7.6.2 shall survive Closing until any applicable statute of limitations has expired.

7.6.3 Tax Returns/Contests.

7.6.3.1 REIT Returns.

7.6.3.1.1 Seller shall cause the REIT to prepare, or cause to be prepared, all Returns required to be filed by the REIT prior to the Closing Date with respect to any Tax period ending on or prior to the Closing Date (a "Pre-Closing Tax Period"). Any such Return shall be prepared in a manner consistent with past practice (unless otherwise required by law) and without a change of any election or any accounting method and in the event such Return impacts any Taxes indemnified by Seller under Section 7.6.6, shall be submitted by Seller to Purchaser (together with schedules and statements) at least twenty (20) days prior to the due date (including extensions) of such Return for Purchaser's review, comment and approval (such approval not to be unreasonably withheld, conditioned or delayed). After the Closing Date, the REIT shall not designate any payment, distribution or dividend made by the REIT on or prior to the Closing Date as a "capital gain dividend" within the meaning of Code Section 857(b)(3)(C). Purchaser shall not amend any Return of the REIT for any tax year of the REIT that began on or prior to the Closing Date without the prior written consent of Seller. Purchaser shall timely file or cause to be timely filed any such Return (taking into account any extensions). Purchaser and the REIT shall deliver any required Form 1099 within sixty (60) days following the end of such tax year.

7.6.3.1.2 Purchaser and the REIT shall prepare and timely file all Returns and amendments thereto required to be filed by the REIT after the Closing Date with respect to its taxable year that includes the Closing Date consistent with past practices. Purchaser shall provide any Return for a Pre-Closing Tax Period to Seller at least twenty (20) Business Days before its due date for Seller's review, comment and approval (such approval not to be unreasonably withheld, conditioned or delayed). After the Closing Date, the REIT shall not designate any payment, distribution or dividend made by the REIT on or prior to the Closing Date as a "capital gain dividend" within the meaning of Code Section 857(b)(3)(C). Purchaser shall not amend any Return of the REIT for any tax year of the REIT that began on or prior to the Closing Date without the prior written consent of Seller. Purchaser shall timely file or cause to be timely filed any such Return (taking into account any extensions).

7.6.3.2 Mezzanine Company and Property Owner Returns. Purchaser, the Mezzanine Company and the Property Owner shall prepare and timely file all Returns and amendments thereto required to be filed by the Mezzanine Company and the Property Owner after the Closing Date with respect to its taxable year that includes the Closing Date. Purchaser shall provide, and Seller shall have a reasonable opportunity to review, comment on, and approve (such approval not to be unreasonably withheld, conditioned or delayed), prior to filing, all such Returns and amendments thereto insofar as they relate to a Pre-

Closing Tax Period. Seller shall prepare and timely file all Returns and amendments thereto required to be filed by the Mezzanine Company and the Property Owner prior to the Closing Date with respect to any taxable period which terminates prior to the Closing Date. In the event such Return or amendment impacts any Taxes indemnified by Seller under Section 7.6.6, Seller shall provide any such Return or amendment to Purchaser at least twenty (20) days before its due date for Purchaser's review, comment and approval (such approval not to be unreasonably withheld, conditioned or delayed).

7.6.3.3 Access to Books and Records. Between the date of this Contract and the Closing Date, Seller and the REIT shall give Purchaser and its authorized representatives reasonable access to all books, records and Returns of or relating to the REIT, whether in the possession of the REIT, Seller or third-party professional advisors or representatives of Seller or the REIT in order that Purchaser may have a reasonable opportunity to make such investigations as it shall desire to make of the affairs of the REIT. Seller and the REIT shall use commercially reasonable efforts to ensure that all third-party advisors and representatives of Seller and the REIT, including without limitation accountants and attorneys, reasonably cooperate with Purchaser and its advisors and representatives in connection with any such investigation.

7.6.3.4 Tax Contest. After the Closing, Purchaser shall promptly notify the Seller in writing of the proposed assessment or the commencement of any Tax audit or administrative or judicial proceeding or of any demand or Claim with respect to Taxes on Purchaser or any Target, which, if determined adversely to the taxpayer or after the lapse of time, could be grounds for a Claim or indemnification under this Contract. In the case of a Tax audit or administrative or judicial proceeding (a "Contest") which could result in a Claim for indemnification under this Contract with respect to the Tax Representations, Seller shall have the right, at its expense, to control the conduct of such Contest.

7.6.3.5 From and after the Closing Date, Seller and Purchaser shall cooperate fully, as and to the extent reasonably required by either party, in connection with the preparation and filing of any Returns pursuant to this Section 7.6.3 and any audit, litigation or other proceeding with respect to the Taxes due pursuant to such Returns. Such cooperation shall include the retention and (upon the other party's reasonable request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making representatives available on a mutually convenient basis to provide additional information and explanation of any material so provided. Purchaser and Seller shall both retain, or Purchaser shall cause Targets to retain, all Returns relating to a Pre-Closing Tax Period, schedules and work papers, records and other documents in its possession relating to tax matters of Targets for all tax periods prior to Closing until the expiration of the statute of limitations of the taxable periods to which such Returns and other documents relate.

7.6.3.6 The provisions of this Section 7.6.3 shall survive Closing until any applicable statute of limitations has expired.

7.6.4 Real Estate Taxes. Notwithstanding anything herein to the contrary, the provisions of this Section 7.6.4 shall not apply to any Taxes that are to be prorated between Seller and Purchaser pursuant to Sections 5.4.1, 5.4.4 and 7.6.1. The provisions of this Section 7.6.4 shall survive Closing.

7.6.5 Purchaser Tax Contact. All notices or inquiries with respect to Tax matters (including with respect to Tax compliance matters after the Closing Date) may be addressed to Purchaser to the addressee at its address set forth following its name below.

7.6.6 Tax Indemnification.

7.6.6.1 Notwithstanding anything in this Contract to the contrary, and without regard to any limitations on Seller's obligations otherwise set forth under this Contract, Seller shall be liable for and pay, and shall fully indemnify and hold harmless, Purchaser from and against any and all Losses incurred by Purchaser or the Upper Tier Entities in connection with or arising from (1) Taxes imposed on a Target, or for which a Target may otherwise be liable, for any Pre-Closing Tax Period and, with respect to any taxable period that begins before the Closing Date and ends following the Closing Date (a "**Straddle Period**"), the portion of such Straddle Period ending on and including the Closing Date, (2) Taxes for which Seller is responsible pursuant to Section 5.4.8, and (3) Seller's breach of any of the Tax Representations or any other representations regarding Taxes in this Contract; provided however, this Section 7.6.6 shall not apply to any real estate Taxes payable by Tenant under Section 5.4.4. Seller shall reimburse Purchaser for any Losses that are the responsibility of Seller pursuant to this Section 7.6.6 within twenty (20) Business Days of Seller receiving from Purchaser a notice setting forth the amount of any such Losses for which Seller is liable under this Section 7.6.6.1.

7.6.6.2 For purposes of Section 7.6.6.1, whenever it is necessary to determine the liability for Taxes of a Target for a Straddle Period, the determination of the Taxes of the Target for the portion of the Straddle Period ending on and including the Closing Date shall be determined by assuming that the Straddle Period consisted of two taxable years or periods, one which ended at the close of the Closing Date and the other which began at the beginning of the day following the Closing Date and items of income, gain, deduction, loss or credit of the Target for the Straddle Period shall be allocated between such two taxable years or periods on a "closing of the books basis" by assuming that the books of Seller were closed at the close of the Closing Date.

7.6.6.3 This Section 7.6.6 shall survive Closing until the expiration the Tax Representations Survival Period.

7.7 **Purchaser's REIT Compliance after Closing**. After the Closing, subject to the rights of iStar Buyer as owner of the Transferred REIT Interests (iStar), Purchaser covenants and agrees that it will (i) take (or refrain from taking) any actions necessary to cause the REIT to qualify as a real estate investment trust for federal income tax purposes until the earlier of (a) December 31, 2022, and (b) the dissolution of the REIT (which shall in no event occur until at least one Business Day following Closing); and (ii) not designate any payment, distribution, or dividend made by the REIT on or prior to the Closing Date as a "capital gain dividend" within the meaning of Code Section 857(b)(3)(C). Without limiting the foregoing, Purchaser represents and warrants to Seller that Purchaser is not an individual for the purposes of Code Section 542(a)(2) (determined after taking into account Code Section 856(h)(3)(A)) an ("**Individual**") and no Individual is treated as the owner, either directly, indirectly or constructively through the application of Section 544 of the Code (as modified by Code Section 856(h)(1)(B)), of more than 9.8% of the number or value of the outstanding equity interests in Purchaser. Purchaser shall indemnify, defend, and hold Seller harmless, on an after Tax basis, from and against all demands and Claims made by any person or entity or taxing authority with respect to or resulting from any

breach by Purchaser of its covenant and agreement under this Section 7.7 and Purchaser shall reimburse Seller, on an after Tax basis, for all reasonable attorneys' fees incurred or that may be incurred as a result of any such Claims or demands as well as for all Losses, verdicts, judgments, settlements, Tax liability, interest, costs and other expenses incurred or that may be incurred by Seller or its partners or affiliates as a result of any such breach by Purchaser. This Section 7.7 shall survive the Closing.

7.8 **Litigation; Violations** . Seller shall promptly notify Purchaser of any litigation, arbitration, proceeding, or administrative hearing (including condemnation) before any governmental authority that Seller gains knowledge of, which affects Seller, the Targets or the Property which is instituted after the Effective Date and which, if adversely determined, could materially adversely affect (i) Seller's ability to consummate the transactions contemplated by this Contract, (ii) Purchaser in connection with its ownership of the Targets or (iii) the use, value or operation of the Property. Seller shall promptly deliver to Purchaser after receipt thereof copies of any written notices of alleged violations or other material written notices regarding the Property (including any material default under any Property Contract) received by Seller or any of the Targets.

Article VIII CONDITIONS PRECEDENT TO CLOSING

8.1 **Purchaser's Conditions to Closing** . Purchaser's obligation to close under this Contract shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.1.1 All of the documents required to be delivered by Seller to Purchaser at the Closing pursuant to Section 5.2 shall have been delivered;

8.1.2 The (a) Fundamental Representations and the Tax Representations shall be true and correct in all respects as of the Closing Date, and (b) the Seller's Representations (other than the Fundamental Representations and the Tax Representations) shall be true and correct in all material respects as of the Closing Date (other than (x) where Purchaser had actual knowledge that such Seller Representation was not true and correct upon Purchaser's execution and delivery of this Contract, or (y) where the failure of the Seller's Representations to be true in all material respects as of the Closing Date results from changed facts, conditions, circumstances, or acts or omissions which are (i) expressly permitted pursuant to the terms of this Contract, (ii) covered separately under Articles XI or XII herein, (iii) the acts or omissions of Purchaser, Tenant, or any affiliate of either Purchaser or Tenant, or (iv) defaults by any party other than the Property Owner under the Property Contracts or Lease);

8.1.3 Seller shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Seller hereunder;

8.1.4 There shall not be pending any litigation or, to the knowledge of either Purchaser or Seller, any threatened litigation, which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid or nonbinding any of the covenants or obligations of the Seller;

8.1.5 Neither Seller nor any Target shall be a debtor in any bankruptcy proceeding nor shall Seller or any Target have been a debtor in any bankruptcy proceeding; and

8.1.6 All conditions to the obligations of “Seller” and “Purchaser” under the iStar Contract to close on the purchase and sale of the Transferred REIT Interests (iStar) shall have been satisfied.

Notwithstanding anything to the contrary, there are no other conditions to Purchaser’s obligation to close except as expressly set forth in this Section 8.1. If any condition set forth in Section 8.1.5 is not met with respect to Seller, Purchaser may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date with no offset or deduction from the Purchase Price, or (b) terminate this Contract by delivering written notice to Seller to that effect, in which case this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions. Notwithstanding the foregoing, in the event that the failure of any such condition precedent is a result of a default or breach by Seller, Purchaser shall also be entitled to exercise its remedies pursuant to Section 10.2 below.

8.2 Seller’s Conditions to Closing . Without limiting any of the rights of Seller elsewhere provided for in this Contract, Seller’s obligation to close with respect to the conveyance of the Transferred REIT Interests (UTI) under this Contract shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.2.1 All of the documents and funds required to be delivered by Purchaser to Seller at the Closing pursuant to the terms and conditions hereof shall have been delivered;

8.2.2 Each of the representations and warranties of Purchaser contained herein shall be true in all material respects as of the Closing Date;

8.2.3 Purchaser shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Purchaser hereunder;

8.2.4 There shall not be pending any litigation or, to the knowledge of either Purchaser or Seller, any threatened litigation, which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid or nonbinding any of the covenants or obligations of the Purchaser; and

8.2.5 In the event the transfer of the Transferred REIT Interests (UTI) from Seller to Purchaser is approved by the Existing Mortgage Lender, the Existing Mortgage Lender shall have provided written confirmation of release of Seller and any affiliate of Seller from any and all obligations with respect to the Existing Mortgage Financing, including, without limitation, any guaranties and environmental indemnities provided by Seller and any affiliate of Seller; and

8.2.6 All conditions to the obligations of “Seller” and “Purchaser” under the iStar Contract to close on the purchase and sale of the Transferred REIT Interests (iStar) shall have been satisfied.

If any of the foregoing conditions to Seller’s obligation to close with respect to the conveyance of the Transferred REIT Interests (UTI) under this Contract are not met, Seller may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date, or (b) terminate this Contract by providing written notice thereof to Purchaser, and, if such failure (I) does not constitute a material default by Purchaser, then this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions, or (II) does constitute a material default by Purchaser, then Seller may exercise any of Seller’s remedies under Section 10.1.

Article IX BROKERAGE

9.1 **Indemnity** . Seller represents and warrants to Purchaser that Seller is represented by only Eastdil Secured, L.L.C. (“ **Broker** ”) in connection with this Contract and that Seller is solely responsible for any commissions or finder’s fees relating to the engagement of Broker and Broker’s services pursuant thereto. Purchaser represents and warrants to Seller that Purchaser is not represented by any broker in connection with this Contract. Seller and Purchaser each represents and warrants to the other that, other than Broker, it has not dealt with or utilized the services of any other real estate broker, sales person or finder in connection with this Contract, and each party agrees to indemnify, hold harmless, and, if requested in the sole and absolute discretion of the indemnitee, defend (with counsel approved by the indemnitee) the other party from and against all Losses relating to brokerage commissions and finder’s fees arising from or attributable to the acts or omissions of the indemnifying party, which obligation shall survive the Closing.

9.2 **Broker Commission** . If, as and when the Closing occurs, Seller agrees to pay Broker a commission according to the terms of a separate contract. Broker shall not be deemed a party or third party beneficiary of this Contract.

Article X DEFAULTS AND REMEDIES

10.1 **Purchaser Default** . As long as Seller is not then in material default of its covenants and obligations hereunder, if Purchaser, prior to Closing, defaults in its obligations hereunder to (a) deliver to Seller the deliveries specified under Section 5.3 by Closing, or (b) deliver the Purchase Price at the time required by Section 2.2.3 and close on the purchase of the Transferred REIT Interests (UTI) on the Closing Date, then, immediately and without the right to receive notice or to cure pursuant to Section 2.3.3, as Seller’s sole and exclusive remedy, neither party shall be obligated to proceed with the purchase and sale of the Transferred REIT Interests (UTI) and neither party shall have any further rights, obligations or liabilities hereunder except for the Surviving Provisions. If Purchaser, prior to Closing, defaults in any material respect under any of its other representations, warranties or obligations under this Contract, and such default continues for more than ten (10) days after written notice from Seller, then, as Seller’s sole and exclusive remedy, neither party shall be obligated to proceed with the purchase and sale of the Transferred REIT Interests (UTI) and neither party shall have any further rights, obligations or liabilities hereunder except for the Surviving Provisions.

10.2 **Seller Default** . As long as Purchaser is not then in material default of its covenants and obligations hereunder if Seller, prior to the Closing, materially defaults in its covenants or obligations under this Contract, and such material default continues for more than ten (10) days after written notice from Purchaser (it being acknowledged, however, that no such cure period shall be applicable to a default by Seller to deliver to Purchaser the deliveries specified under section 5.2 by Closing or sell the Transferred REIT Interests (UTI) as required by this Contract on the Closing Date), then, at Purchaser’s election and as Purchaser’s sole and exclusive remedy, either (a) subject to the conditions below, Purchaser may seek specific performance of Seller’s obligations under this Contract, including, without limitation, to deliver the Transferred REIT Interests (UTI) Assignment pursuant to this Contract (but not damages) or (b) Purchaser may deliver written notice to Seller of Purchaser’s decision to terminate this Contract, in which case this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions. If Purchaser elects to seek specific performance in accordance with clause (a) in the immediately preceding sentence and subsequently receives a final judgement that such remedy is unavailable due to an act of Seller, Seller shall reimburse

Purchaser (within ten (10) days of Seller's receipt of Purchaser's written notice and evidence of such costs) the actual out-of-pocket costs and expenses (including without limitation attorneys' and consultants' fees) incurred by Purchaser in connection with this Contract and/or the transaction contemplated hereby up to a maximum reimbursement of such out-of-pocket costs of \$250,000 in the aggregate. Purchaser may seek specific performance of Seller's obligations under this Contract only if, as a condition precedent to initiating such litigation for specific performance, Purchaser first shall (i) deliver all Closing deliveries (other than the Purchase Price) to Escrow Agent in accordance with the requirements of this Contract, including, without limitation, Section 2.2.35.3; (ii) not otherwise be in material default under this Contract; and (iii) file suit therefor with the court on or before ninety (90) days after the delivery of all Purchaser Closing deliveries (other than the Purchase Price) to Escrow Agent in accordance with the requirements of this Contract, including, without limitation, and Section 5.3; if Purchaser fails to file an action for specific performance within ninety (90) days after the Closing Date, then Purchaser shall be deemed to have elected to terminate the Contract in accordance with Section 10.2(b) above.

SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.2 IS INTENDED TO AND DOES LIMIT THE AMOUNT OF DAMAGES DUE PURCHASER AND THE REMEDIES AVAILABLE TO PURCHASER, AND SHALL BE PURCHASER'S EXCLUSIVE REMEDY AGAINST SELLER, BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A BREACH BY SELLER OF ITS REPRESENTATIONS, WARRANTIES OR COVENANTS PRIOR TO CLOSING OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT PRIOR TO CLOSING. THE IMMEDIATELY PRECEDING SENTENCE SHALL SURVIVE THE TERMINATION OF THIS CONTRACT. UNDER NO CIRCUMSTANCES MAY SELLER OR PURCHASER SEEK OR BE ENTITLED TO RECOVER ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH SELLER AND PURCHASER SPECIFICALLY WAIVES, FROM THE OTHER FOR ANY BREACH BY SELLER AND PURCHASER, OF THEIR RESPECTIVE REPRESENTATIONS, WARRANTIES OR COVENANTS OR ITS OBLIGATIONS UNDER THIS CONTRACT. THE IMMEDIATELY PRECEDING SENTENCE SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS CONTRACT. PURCHASER SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY UNLESS AND UNTIL IT HAS IRREVOCABLY ELECTED TO SEEK SPECIFIC PERFORMANCE OF THIS CONTRACT AND HAS FILED AND IS DILIGENTLY PURSUING AN ACTION SEEKING SUCH REMEDY. NOTHING IN THIS SECTION 10.2 IS INTENDED TO LIMIT SELLER'S OBLIGATIONS OR LIABILITIES UNDER SECTIONS 6.2, 7.6 OR 7.7 HEREUNDER.

Article XI RISK OF LOSS OR CASUALTY

11.1 **No Termination Right** . Purchaser and Seller hereby acknowledge that Purchaser shall have no right to terminate this Contract as a result of damage or destruction sustained by the Property by any cause and to any extent.

Article XII EMINENT DOMAIN

12.1 **No Termination Right** . Purchaser and Seller hereby acknowledge that Purchaser shall have no right to terminate this Contract as a result of an acquisition of any portion of the

Property by any governmental agency by the powers of eminent domain or transfer in lieu thereof.

Article XIII MISCELLANEOUS

13.1 **Binding Effect of Contract** . This Contract shall not be binding on any party until executed by Purchaser and all Seller. The Escrow Agent's execution of this Contract shall not be a prerequisite to its effectiveness. Subject to Section 13.3, this Contract shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and permitted assigns.

13.2 **Exhibits and Schedules** . All Exhibits and Schedules, whether or not annexed hereto, are a part of this Contract for all purposes.

13.3 **Assignability** . This Contract is not assignable by Purchaser without first obtaining the prior written approval of Seller and is not assignable by Seller without first obtaining the prior written approval of Purchaser. Notwithstanding the foregoing, Purchaser may assign this Contract, without first obtaining the prior written approval of Seller, to facilitate the acquisition of the Transferred REIT Interests (UTI) by a separate entity formed by Purchaser or other affiliate of Purchaser, so long as (a) Purchaser is an affiliate of the purchasing entity, (b) Purchaser is not released from its liability hereunder, and (c) Purchaser provides written notice to Seller of any proposed assignment no later than five (5) days prior to the Closing Date. As used herein, an affiliate is a person or entity controlled by, under common control with, or controlling another person or entity. Any transfer after the date hereof of a majority of the stock, partnership interests, membership interests or other beneficial interests of Purchaser, whether in a single transaction or in a series of transactions, without obtaining the prior written consent of Seller, shall be deemed a prohibited assignment by Purchaser of its interest hereunder. No transfer or assignment by Purchaser in violation of the provisions hereof shall be valid or enforceable.

13.4 **Captions** . The captions, headings, and arrangements used in this Contract are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

13.5 **Number and Gender of Words** . Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

13.6 **Notices** . All notices, demands, requests, consents, approvals and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) electronic delivery. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Notices given by counsel to a party shall be deemed given by such party. Each party shall be entitled to change its address for notices from time to time by

delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

To Purchaser:

Universal Technical Institute Ventures, LLC
4225 E. Windrose Drive
Suite 200
Phoenix, AZ 85032
Attention: Legal

With a copy to:

DLA Piper LLP (US)
2525 East Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: David P. Lewis
Email: david.lewis@us.dlapiper.com

To Seller:

c/o iStar Inc.
1114 Avenue of the Americas, 38th Floor
New York, New York 10036
Attention: Doug Heitner
E-mail: dheitner@istar.com

With a copy to:

c/o iStar Inc.
3480 Preston Ridge Road
Suite 575
Alpharetta, GA 30005
Attention: Matt Ballinger
E-mail: mballinger@istar.com

With a copy to:

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Jason Vismantas
Email: jason.vismantas@katten.com

Any notice required hereunder to be delivered to the Escrow Agent shall be delivered in accordance with above provisions as follows:

Chicago Title Insurance Company
711 Third Avenue, Suite 800
New York, NY 10017
Attention: John Caruso
Telephone: (212) 800-1221

Email Address: john.caruso@ctt.com

Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Contract, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

13.7 **Governing Law and Venue** . The laws of the State of Delaware shall govern the validity, construction, enforcement, and interpretation of this Contract. All claims, disputes and other matters in question arising out of or relating to this Contract, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in the State of Illinois.

13.8 **Entire Agreement** . This Contract and the documents, instrument and certificates executed and delivered by the parties hereto at Closing embody the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and contracts, whether written or oral.

13.9 **Amendments** . This Contract shall not be amended, altered, changed, modified, supplemented or rescinded in any manner except by a written contract executed by all of the parties; provided, however, that, the signature of the Escrow Agent shall not be required as to any amendment of this Contract other than an amendment of Section 2.3.

13.10 **Severability** . In the event that any part of this Contract shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed, and enforced to the maximum extent permitted by law. If such provision cannot be reformed, it shall be severed from this Contract and the remaining portions of this Contract shall be valid and enforceable.

13.11 **Multiple Counterparts/Facsimile Signatures** . This Contract may be executed in a number of identical counterparts. This Contract may be executed by facsimile signatures or electronic delivery of signatures which shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

13.12 **Construction** . No provision of this Contract shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Contract; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

13.13 **Confidentiality** . Each of Seller and Purchaser acknowledges that all information and material obtained by Purchaser in connection with its investigation of the Interests, the Targets and the Property and the terms and conditions of this Contract and the existence of the transactions contemplated by this Contract (collectively, the “**Confidential Information**”) are strictly confidential. Each of Seller and Purchaser may disclose the Confidential Information only to its affiliates, actual and potential investment and/or operating partners, providers of equity, title insurers, financial advisors, potential lenders and lenders (and rating agencies, if necessary), brokers, accountants and attorneys (“**Permitted Recipients**”) who are directly involved in the transactions contemplated by this Contract and who have been notified of the confidential nature of the Confidential Information. Neither party nor any of its Permitted Recipient shall disclose the Confidential Information to any other person or party. Nothing contained herein shall prohibit disclosure of any Confidential Information as required by applicable law, rule, regulation or legal, administrative, judicial process (including any requested disclosure by any regulatory or supervisory authority). In permitting Purchaser and its Permitted

Recipients to review any Confidential Information, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third-party benefits or relationships of any kind, either express or implied, have been offered, intended or created. Seller shall have the right to pursue all of its rights and remedies available to Seller, at law and/or in equity, as a result of any breach by Purchaser or any of its permitted recipients of the Confidentiality Agreement, dated as of November 17, 2015, and Purchaser shall be responsible to Seller for any such breach of the Confidentiality Agreement. Notwithstanding anything in the foregoing to the contrary, except to the extent required by applicable law, rule, regulation or legal, administrative, judicial process (including any requested disclosure by any regulatory or supervisory authority), neither Purchaser nor Seller shall issue any press release or otherwise permit any public announcement disclosing the terms of the sale, naming the other party or any of its affiliates as having any involvement in the transaction, without the other party's prior written consent, which consent shall not be unreasonably withheld.

13.14 **Time of the Essence** . It is expressly agreed by the parties hereto that time is of the essence with respect to this Contract and any aspect thereof.

13.15 **Waiver** . No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

13.16 **Attorneys' Fees** . In the event either party hereto commences litigation or arbitration against the other to enforce its rights hereunder, the prevailing party in such litigation shall recover from the other party its reasonable attorneys' fees and expenses incidental to such litigation and arbitration, including the cost of in-house counsel and any appeals. Nothing in this Contract shall create in favor of any party hereto (and nothing in this Contract shall be deemed to create in favor of any party hereto) the right to commence any arbitration proceeding in connection with, or as a result of any matter or dispute arising under, this Contract.

13.17 **Time Zone/Time Periods** . Any reference in this Contract to a specific time shall refer to Pacific Time. Should the last day of a time period fall on a weekend or legal holiday, the next Business Day thereafter shall be considered the end of the time period.

13.18 **No Personal Liability of Officers, Trustees or Directors of Seller's Partners** . Purchaser acknowledges that this Contract is entered into by Seller, and Purchaser agrees that none of Seller's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract. Seller acknowledges that this Contract is entered into by Purchaser, and Seller agrees that none of Purchaser's direct or indirect affiliates, partners, members, managers, shareholders, officers, directors, employees, trustees, counsel, representatives or agents shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.19 **[Omitted]**

13.20 **ADA Disclosure** . Without limiting Seller's Representations, Purchaser acknowledges that the Property may be subject to the federal Americans With Disabilities Act (the "**ADA**"). The ADA requires, among other matters, that tenants and/or owners of "public accommodations" remove barriers in order to make a property accessible to disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons. Without

limiting Seller's Representations, Seller make no warranty, representation or guarantee of any type or kind with respect to the Property's compliance with the ADA (or any similar state or local law), and Seller expressly disclaim any such representations.

13.21 **No Recording** . Purchaser shall not cause or allow this Contract or any contract or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record without Seller's prior written consent, which consent may be withheld at Seller's sole discretion. If Purchaser records this Contract or any other memorandum or evidence thereof, Purchaser shall be in default of its obligations under this Contract, and Purchaser shall be solely responsible for any transfer or recordation Taxes incurred as a result thereof. Purchaser hereby appoints Seller and the Targets as Purchaser's attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Contract or other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable. The foregoing prohibitions shall not preclude the recording or filing of a lis pendens by Purchaser in accordance with Section 10.2 above.

13.22 **[Omitted]** .

13.23 **Relationship of Parties** . Purchaser and Seller acknowledge and agree that the relationship established between the parties pursuant to this Contract is only that of a seller and a purchaser of property. Neither Purchaser nor any Seller is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

13.24 **Waiver of Trial by Jury** . THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING OUT OF THIS CONTRACT.

13.25 **Seller Marks** . Purchaser agrees that Seller or any of its respective affiliates, are the sole owners of all right, title and interest in and to the Seller Marks (or have the right to use such Seller Marks pursuant to license agreements with third parties) and that no right, title or interest in or to the Seller Marks is granted, transferred, assigned or conveyed as a result of this Contract. Purchaser further agrees that Purchaser will not use the Seller Marks for any purpose.

13.26 **[Omitted]** .

13.27 **Further Assurances** . Following the Closing, each of the parties hereto shall, and shall cause their respective affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Contract.

13.28 **Survival** . Except for (a) all of the provisions of this Article XIII; (b) Sections 2.3, 5.4, 5.5, 6.1, 6.2, 6.3, 6.5, 7.6 and 9.1; and (c) any other provisions in this Contract, that by their express terms survive the Closing (the foregoing (a), (b) and (c) are referred to herein as the "**Surviving Provisions**"), none of the terms and provisions of this Contract shall survive the Closing, and all of the terms and provisions of this Contract (other than the Surviving Provisions, which shall survive the Closing) shall be merged into the Closing documents and shall not survive the Closing and no party hereto shall have any liability hereunder after the Closing in respect of such provisions that do not survive the Closing.

13.29 **Multiple Purchasers** . As used in this Contract, the term "**Purchaser**" means all entities acquiring any of the Common REIT Interests at the Closing, including, without limitation, any assignee(s) of the original Purchaser pursuant to Section 13.3 of this Contract. In

the event that “ **Purchaser** ” has any obligations or makes any covenants, representations or warranties under this Contract, the same shall be made jointly and severally by all entities being a Purchaser hereunder.

13.30 **Incorporation of Recitals, Exhibits and Schedules** . The recitals to this Contract, and all exhibits and schedules (as amended, modified and supplemented from time to time pursuant to Section 13.31) referred to in this Contract are incorporated herein by such reference and made a part of this Contract. Any matter disclosed in any schedule to this Contract shall be deemed to be incorporated in all other schedules to this Contract.

13.31 **Updates of Schedules** . Seller shall have the right to amend and supplement any schedule, or provide a new schedule, to this Contract from time to time without Purchaser’s consent to the extent that (i) such schedule needs to be amended, supplemented, or provided to maintain the truth or accuracy of the applicable Seller’s Representation or the information disclosed therein, and (ii) such Seller did not have knowledge as of the Effective Date of the matter being disclosed in such amendment, supplement, or new schedule provided, however, that any amendment or supplement to the schedules to this Contract shall have no effect for the purposes of determining whether the condition in Section 8.1.2 has been satisfied, but shall have effect only for the purposes of limiting the defense and indemnification obligations of the Seller for the inaccuracy or untruth of the representation or warranty qualified by such amendment or supplement following the Closing in the event Purchaser does not exercise its right to terminate this Contract. In addition, nothing shall be deemed to limit Purchaser’s rights hereunder in the event the amendment or supplement to the schedules is a result of a default in Seller’s covenants and obligations hereunder.

13.32 **Not an Offer** . The delivery by Seller of this Contract shall not constitute an offer to sell the Interests, the Targets or the Property, and Seller shall have no obligation to sell the Common REIT Interests to Purchaser, unless and until Purchaser and Seller have each executed and delivered this Contract to the other party.

**[Remainder of Page Intentionally Left Blank;
Signature Page Follows]**

NOW, THEREFORE, the parties hereto have executed this Contract as of the date first set forth above.

Seller:

iSTAR NET LEASE I LLC ,
a Delaware limited liability company

By: _____
Name: Catherine Tenney
Title: Senior Vice President

Purchaser:

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC ,
a Delaware limited liability company

By: Universal Technical Institute, Inc.
Its: Sole Member

By: _____
Name: Troy Anderson
Title: Vice President and Chief Financial Officer

Purchaser's Tax Identification Number/Social Security Number:

46-0984124

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Contract to which this signature page is attached for the purpose of agreeing to the provisions of Section 2.3 of the Contract, and hereby designates _____ as the escrow number assigned to this escrow.

ESCROW AGENT :

CHICAGO TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

Joinder to Purchase and Sale Contract

To further induce Purchaser to enter into this Contract, the undersigned, iStar Inc., a Delaware corporation, has executed this Joinder to Purchase and Sale Contract solely to evidence its undertaking of Seller's post-closing liability, subject to any and all limitations and qualifications for such liability contained herein including, for (i) a breach of Seller's representations contained in Section 6.1, and (ii) indemnification obligations contained in Section 7.6.6. The undersigned acknowledges that it will receive substantial economic and other benefits from the execution and delivery of this Contract by Seller and the consummation of the transactions contemplated by this Contract.

iStar Inc. ,
a Delaware corporation

By: _____
Name: Catherine Tenney
Title: Senior Vice President

SCHEDULE A

TRANSACTION INFORMATION SCHEDULE

NAME OF PROPERTY AND ADDRESS	STATE OF FORMATION OF SELLER	PURCHASE PRICE
<i>2611 Corporate Drive, Lisle, IL 60532</i>	Delaware	\$19,843,714.00

Schedule A

SCHEDULE B

LEASE

Lease Agreement by and between 2611 Corporate West Drive Venture LLC, as "Landlord", and U.T.I. of Illinois, Inc., as "Tenant", dated as of August 22, 2012.

Schedule B

Schedule 6.1.4

Property Contracts

1. REIT Servicing Agreement

Schedule 6.1.4

Schedule 6.1.13.3

Tax Contests & Liens

None.

Schedule 6.1.4

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

Lot 1 in Corporate West Unit 3 Resubdivision, being a subdivision of Lots 1 through 4 inclusive, in Corporate West Unit Three, being a subdivision of parts of Sections 4 and 9, Township 38 North, Range 10, East of the Third Principal Meridian, according to the plat thereof recorded on February 5, 2013 in the Recorder's Office of Du Page County, Illinois as document number R2013-019199.

Parcel 2:

Easement for ingress and egress as contained on Plat of Subdivision recorded as document R76-92672 and as contained in Conditions, Covenants, Restrictions, Reservations, Grants And Easements dated June 1, 1977 and recorded July 14, 1977 as document R77-58394.

Tax Parcel Number: 08-04-101-019

Property Address: 2611 Corporate West Drive, Lisle, IL 60532

Exhibit A

EXHIBIT B

FORM OF ASSIGNMENT OF COMMON REIT INTERESTS

This Assignment of Common REIT Interests (this “**Assignment**”) is executed by iStar Net Lease I LLC, a Delaware limited liability company, whose address is c/o iStar Inc., 1114 Avenue of the Americas, 38th Floor, New York, New York 10036 (“**Assignor**”), in favor of Universal Technical Institute Ventures, LLC, a Delaware limited liability company (“**Assignee**”), as of _____, 2022 (the “**Effective Date**”).

WHEREAS, Assignor owns one hundred percent (100%) of the Class A Common Shares (the “**Common REIT Interests**”) in 2611 CWD Net Lease I REIT, a Maryland statutory trust (the “**REIT**”); and

WHEREAS, Assignor and Assignee are parties to that certain Purchase and Sale Contract, dated February 4, 2022 (the “**Contract**”) whereby Assignor has agreed to assign, and Assignee has agreed to assume, Forty-Seven and One-Half Percent (47.5%) of the Common REIT Interests (the “**Subject Interests**”). Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Contract.

FOR VALUE RECEIVED, Assignor hereby (a) assigns, transfers and sets forth to Assignee, the Subject Interests, subject to the Entity Exceptions, (b) irrevocably constitutes and appoints the REIT to transfer the Subject Interests in such manner on the books of the REIT with full power of substitution in the premises, and (c) without limiting the terms and provisions of the Contract with respect to the Excluded Property, directs that all future distributions, dividends and other payments on account of the Subject Interests to be paid to Assignee; provided, however, notwithstanding anything in this Assignment to the contrary, Assignor shall retain all rights of “Investor” pursuant to Section 9.5 and Section 9.7 of the Property Owner LLC Agreement to the extent relating to the 2021 and 2022 tax years, together with all rights to indemnification related thereto pursuant to Section 4.6(a) of the Property Owner LLC Agreement.

Assignors and Assignee each agree to execute and deliver such further instruments and do such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Assignment and as are not inconsistent with the terms hereof.

This Assignment may be executed in one or more counterparts, including by means of facsimile copy, or via electronic mail in a PDF document. Any such facsimile copy or PDF copy shall be deemed an original copy of this Assignment.

If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

This Assignment shall be governed by and interpreted in accordance with the laws of the State of Delaware.

This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Assignor’s liability hereunder shall be subject to all time, dollar and other limitations on Assignor’s liability set forth in the Contract.

WITH RESPECT TO ALL MATTERS SOLD, ASSIGNED, TRANSFERRED AND CONVEYED PURSUANT HERETO, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, EXCEPT FOR THE SELLER'S REPRESENTATIONS (ALL OF WHICH ARE SUBJECT TO ALL TIME, DOLLAR AND OTHER LIMITATIONS ON ASSIGNOR'S LIABILITY SET FORTH IN THE CONTRACT), SUCH MATTERS ARE HEREBY SOLD, ASSIGNED, TRANSFERRED AND CONVEYED TO ASSIGNEE ON AN "AS IS", "WHERE IS", "WITH ALL FAULTS" BASIS, WITHOUT ANY REPRESENTATION, WARRANTY, GUARANTY, PROMISE, PROJECTION OR PREDICTION WHATSOEVER WITH RESPECT TO SUCH MATTERS, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**[Remainder of Page Intentionally Left Blank;
Signature Page Follows]**

Exhibit C

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Common REIT Interests as of the day and year first written above.

Assignor:

iSTAR NET LEASE I LLC ,
a Delaware limited liability company

By: _____
Name: Catherine Tenney
Title: Senior Vice President

Assignee:

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC ,
a Delaware limited liability company

By: Universal Technical Institute, Inc.
Its: Sole Member

By: _____
Name: Troy Anderson
Title: Vice President and Chief Financial Officer

EXHIBIT C
LEGAL OPINION

[*See attached*]

Exhibit C

EXHIBIT D

FORM OF FIRPTA CERTIFICATE

Transferor's Certification of Non-Foreign Status

To inform Universal Technical Institute Ventures, LLC, a Delaware limited liability company ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of an interest in certain real property to Transferee by iStar Net Lease I LLC, a Delaware limited liability company ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. Transferor's U.S. employer identification number is _____; and
3. Transferor's office address is: _____.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2022.

iSTAR NET LEASE I LLC,
a Delaware limited liability company
By: _____
Name: Catherine Tenney
Title: Senior Vice President

EXHIBIT E

FORM OF PROPERTY OWNER LLC AGREEMENT AMENDMENT

[attached]

Exhibit E

PURCHASE AND SALE CONTRACT

BETWEEN

iSTAR NET LEASE MEMBER I LLC,
a Delaware limited liability company

AS SELLER

AND

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC,
a Delaware limited liability company

AS PURCHASER

PURCHASE AND SALE CONTRACT

THIS PURCHASE AND SALE CONTRACT (this “**Contract**”) is entered into as of February 11, 2022 (the “**Effective Date**”), by and between iStar Net Lease Member I LLC, a Delaware limited liability company (“**Seller**”), and Universal Technical Institute Ventures LLC, a Delaware limited liability company (“**Purchaser**”).

NOW, THEREFORE, in consideration of mutual covenants set forth herein, Seller and Purchaser hereby agree as follows:

RECITALS

A. Seller is the legal owner and holder of 37.8147% of the outstanding limited liability company membership interests (the “**iStar Member Interests**”) in 2611 Corporate West Drive Venture LLC, a Delaware limited liability company (“**Property Owner**”).

B. Purchaser is the legal owner and holder of 62.1853% of the outstanding limited liability company membership interests (the “**Existing UTI Member Interests**”) in Property Owner.

C. The Property Owner owns the real estate listed on the transaction information schedule attached hereto as **Schedule A** (the “**Transaction Information Schedule**”) and as more particularly described in **Exhibit A** attached hereto and made a part hereof, and the improvements thereon.

D. U.T.I. of Illinois, Inc., an Illinois corporation (“**Tenant**”), and an affiliate of Purchaser, is the “Tenant” under the lease for the Land and Improvements described on Schedule B attached hereto (the “**Lease**”).

E. Purchaser desires to purchase, and Seller desires to sell, the iStar Member Interests on the terms and conditions set forth below.

Article I DEFINED TERMS

Unless otherwise defined herein, any term with its initial letter capitalized in this Contract shall have the meaning set forth below:

“**ADA**” shall have the meaning set forth in Section 13.20.

“**Applicable Survival Period**” shall have the meaning set forth in Section 6.3.

“**Broker**” shall have the meaning set forth in Section 9.1.

“**Business Day**” means any day other than a Saturday or Sunday or Federal holiday or legal holiday in the State of Illinois. Unless the references in this Contract to any specific time period expressly uses the capitalized term “**Business Days**”, the number of days for such time period shall be based on calendar days.

“**CERCLA**” shall have the meaning set forth in Section 6.2.

“**Claims**” shall have the meaning set forth in Section 6.2.

“ **Closing** ” means the consummation of the purchase and sale and related transactions contemplated by this Contract in accordance with the terms and conditions of this Contract.

“ **Closing Date** ” means February 11, 2022, or such earlier or later date as Purchaser and Seller may mutually agree in writing.

“ **Closing Documents** ” means the documents required to be delivered pursuant to Section 5.2 .

“ **Closing Statement Items** ” shall have the meaning set forth in Section 5.4.1 .

“ **Code** ” shall have the meaning set forth in Section 2.3.6 .

“ **Contract** ” shall have the meaning set forth in the introductory paragraph.

“ **Declarations and REAs** ” means any and all declarations, reciprocal easement agreements or other similar cross-easements, use agreements, covenants or similar agreements governing the use, maintenance or operation of any part of the Property.

“ **Effective Date** ” shall have the meaning set forth in the introductory paragraph.

“ **Entity Exceptions** ” means the Property Owner LLC Agreement, the Property Owner Certificate, and corporate franchise Taxes not yet delinquent.

“ **ERISA** ” shall have the meaning set forth in Section 6.5.10 .

“ **Escrow Agent** ” shall have the meaning set forth in Section 2.2.1 .

“ **Excluded Property** ” means (a) 37.8147% of all collected and uncollected rent and income attributable to periods prior to the Closing Date in accordance with the terms of the Property Owner LLC Agreement, and any and all other cash or other funds of the Property Owner on hand as of immediately prior to the Closing Date, (b) Seller’s proprietary books and records, (c) the Seller Accounts, (d) any right, title or interest in and to the Seller Marks, each of which shall be excluded from the terms of this Contract, and (e) all rights of “Investor” pursuant to Section 9.5 and Section 9.7 of the Property Owner LLC Agreement to the extent relating to the 2021 and 2022 tax years, together with all rights to indemnification related thereto pursuant to Section 4.6(a) of the Property Owner LLC Agreement.

“ **Existing Loan Agreement** ” means that certain Loan Agreement between the Property Owner and Existing Mortgage Lender dated as of October 13, 2017.

“ **Existing Mortgage Financing** ” means that certain mortgage financing encumbering the Property by the Property Owner in favor of the Existing Mortgage Lender, evidenced, by among other things, (i) the Existing Loan Agreement, (ii) that certain Secured Promissory Note by the Property Owner in favor of Existing Mortgage Lender dated October 13, 2017 in the original principal amount of \$24,000,000.00, and (iii) that certain Mortgage, Assignment of Rents and Lease, Security Agreement and Fixture Filing, dated October 13, 2017 and recorded October 13, 2017 as Instrument No. R2017-106149 with the County Recorder of DuPage County, Illinois.

“ **Existing Mortgage Lender** ” means Western Alliance Bank, an Arizona corporation.

“ **Existing UTI Member Interests** ” has the meaning set forth in the Recitals.

“**Fixtures and Tangible Personal Property**” means the interest of the Property Owner in and to all fixtures, furniture, furnishings, fittings, equipment, machinery, apparatus, appliances and other articles of tangible personal property owned by the Property Owner and located on the Land or in the Improvements as of the Effective Date and used or usable in connection with the occupation or operation of all or any part of the Property, but only to the extent transferable. The term “**Fixtures and Tangible Personal Property**” does not include (a) the Excluded Property, or (b) property owned or leased by any Tenant or guest, employee or other person furnishing goods or services to the Property.

“**Fundamental Representations**” shall have the meaning set forth in Section 6.1.

“**Fundamental Representations Survival Period**” shall have the meaning set forth in Section 6.3.

“**General Representations Survival Period**” shall have the meaning set forth in Section 6.3.

“**Improvements**” means the fee interest of the Property Owner in and to all buildings and improvements located on the Land, taken “as is.”

“**iStar Member Interests**” shall have the meaning set forth in the Recitals.

“**Land**” means all of those certain tracts of land described on Exhibit A, and all rights, privileges and appurtenances pertaining thereto.

“**Lease**” has the meaning set forth in the Recitals.

“**Losses**” means any liability, Claim, cost, loss, judgment, damage or expense (including reasonable attorneys’ fees and expenses).

“**Membership Interests Assignment**” shall have the meaning set forth in Section 5.2.1.

“**Miscellaneous Property Assets**” means the interest (if any) of the Property Owner in and to all contract rights, leases, concessions, warranties, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property, excluding, however, (a) the Excluded Property, (b) Property Contracts, (c) Lease, and (d) Permits. The term “**Miscellaneous Property Assets**” also shall include: (x) all of the Property Owner’s rights, if any, in and to the name of the Property identified on the Transaction Information Schedule as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller or its affiliates); and (y) all of the Property Owner’s rights, if any, in and to any website for the Property as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller or its affiliates).

“**Permits**” means the interest (if any) of the Property Owner in and to all licenses and permits granted to Seller or Property Owner by any governmental authority having jurisdiction over the Property and required in order to own and operate the Property, excluding, however, those Permits which, under applicable law, are nontransferable.

“**Permitted Exceptions**” shall have the meaning set forth in Section 4.4.

“**Prohibited Person**” means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the “**Executive Order**”); (b) a person or

entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a “specially designated national” or “blocked person” on the most current list published by the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (d) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (e) a person or entity that is affiliated with any person or entity identified in clause (a), (b), (c) and/or (d) above.

“**Property**” means with respect to the real property identified on the Transaction Information Schedule: (a) the Land and Improvements and all rights of the Property Owner, if any, in and to all of the easements, rights, privileges, and appurtenances belonging or in any way appertaining to such Land and Improvements, (b) the Property Contracts, Leases, Permits and the Fixtures and Tangible Personal Property and (c) the Miscellaneous Property Assets owned by the Property Owner which are located on the Property and used in its operation. Notwithstanding anything contained herein to the contrary, in no event shall the Property include the Seller Accounts or the Excluded Property.

“**Property Contracts**” means the contracts and agreements listed on the Property Contracts List.

“**Property Contracts List**” means the property contract list attached hereto as Schedule 6.1.4.

“**Property Owner**” shall have the meaning set forth in the Recitals.

“**Property Owner Certificate**” means the Property Owner’s Certificate of Formation, dated filed August 2, 2012 with the Delaware Secretary of State.

“**Property Owner LLC Agreement**” means the Amended and Restated Limited Liability Company Agreement of Property Owner, dated as of August 22, 2012, as amended by that certain First Amendment to Amended and Restated Limited Liability Company Agreement of Property Owner, dated as of February 8, 2022, effective as of January 1, 2018.

“**Proration Schedule**” shall have the meaning set forth in Section 5.4.1.

“**Purchase Price**” shall have the meaning set forth in Section 2.2.

“**Purchaser**” shall have the meaning set forth in the introductory paragraph.

“**Seller**” shall have the meaning set forth in the introductory paragraph.

“**Seller Accounts**” shall have the meaning set forth in Section 5.4.11

“**Seller Designated Representative**” shall have the meaning set forth in Section 6.4.

“**Seller Marks**” means all proprietary materials, software, proprietary systems, trade secrets, proprietary information and lists, and other intellectual property owned or used by Seller or an affiliate of Seller in the marketing, operation or use of the Property (or in the marketing, operation or use of any other properties owned by Seller or an affiliate of Seller).

“ **Seller’s Indemnified Parties** ” means Seller and its officers, directors, agents, managers, partners, members, shareholders, beneficiaries, asset managers, employees, representatives and affiliates, representatives, successors and assigns.

“ **Seller’s Possession** ” means in the physical possession of any officer or employee of Seller who has primary responsibility for the operation of the Property; provided, however, that any reference in this Contract to Seller’s Possession of any documents or materials expressly excludes the possession of any such documents or materials that (i) are legally privileged or constitute attorney work product, (ii) are subject to a confidentiality agreement or to applicable law prohibiting their disclosure by Seller, or (iii) constitute confidential internal assessments, reports, studies, memoranda, notes or other correspondence prepared by or on behalf of any officer or employee of Seller or any of their affiliates.

“ **Seller’s Property-Related Files and Records** ” shall have the meaning set forth in Section 5.4.10 .

“ **Seller’s Representations** ” shall have the meaning set forth in Section 6.1 .

“ **Shared Accounts** ” shall have the meaning set forth in Section 5.4.11

“ **Surviving Provisions** ” shall have the meaning set forth in Section 13.26 .

“ **Tax** ” and “ **Taxes** ” means all taxes, however denominated, including any interest, penalties or other additions to tax that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and state income taxes), payroll and employee withholding taxes, unemployment insurance, social security taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, in each case which Property Owner is required to pay, withhold or collect.

“ **Tenant** ” shall have the meaning set forth in the Recitals.

“ **Tenant Deposits** ” means all security deposits, prepaid rentals, cleaning fees and other refundable deposits and fees collected from Tenant, plus any interest accrued thereon, paid by Tenant to the Property Owner pursuant to the Lease. Tenant Deposits shall not include any non-refundable fees paid by Tenant to the Property Owner, either pursuant to the Lease or otherwise.

“ **Title Insurer** ” means Chicago Title Insurance Company, 711 Third Avenue, Suite 800, New York, NY 10017, Attention: John Caruso, Telephone: (212) 800-1221, Email Address: john.caruso@ctt.com.

“ **Transaction Information Schedule** ” shall have the meaning set forth in the Recitals.

Article II PURCHASE AND SALE & PURCHASE PRICE

2.1 **Purchase and Sale** . Seller agrees to sell and convey to Purchaser the iStar Member Interests, and Purchaser agrees to purchase such iStar Member Interests from Seller, all in accordance with the terms and conditions set forth in this Contract.

2.2 **Purchase Price**. The purchase price for the iStar Member Interests is the amount set forth in the Transaction Information Schedule under the heading “Purchase Price” (the “**Purchase Price**”), which Purchase Price shall be adjusted at Closing for the prorations pursuant to Section 5.4 and as otherwise expressly provided in this Contract, and shall be payable by Purchaser as follows:

2.2.1 [Omitted].

2.2.2 [Omitted].

2.2.3 The Purchase Price for the iStar Member Interests shall be paid to and received by Escrow Agent by wire transfer of immediately available funds on the Closing Date.

2.3 **Escrow Provisions**.

2.3.1 [Omitted].

2.3.2 The Tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

2.3.3 [Omitted].

2.3.4 The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, and that Escrow Agent shall not be deemed to be the agent of any of the parties and shall not be liable for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Contract or involving gross negligence or fraud. Seller and Purchaser severally (on a 50/50 basis as between Seller on the one hand and Purchaser on the other) shall indemnify and hold Escrow Agent harmless from and against all costs, Claims and expenses, including reasonable attorneys’ fees, incurred in connection with the performance of Escrow Agent’s duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Contract or involving negligence, willful misconduct or fraud on the part of the Escrow Agent.

2.3.5 The parties shall deliver to Escrow Agent an executed copy of this Contract. Escrow Agent shall execute the signature page for Escrow Agent attached hereto which shall confirm Escrow Agent’s agreement to comply with the terms of any Seller’s closing instruction letter delivered at Closing and the provisions of this Section 2.3; provided, however, that (a) Escrow Agent’s signature hereon shall not be a prerequisite to the binding nature of this Contract on Purchaser and Seller, and the same shall only become fully effective upon execution and delivery by Purchaser and Seller, and (b) the signature of Escrow Agent will not be necessary to amend any provision of this Contract other than this Section 2.3 and then only to the extent affecting Escrow Agent.

2.3.6 Escrow Agent acknowledges that it is the “real estate reporting person” within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the “**Code**”), to the extent applicable for this transaction. Escrow Agent shall file a Form 1099-S with the Internal Revenue Service if required by Section 6045.

2.3.7 The provisions of this Section 2.3 shall survive any termination of this Contract, and, if not so terminated, the Closing.

2.4 **Excluded Property**. For the avoidance of doubt, and notwithstanding anything in this Contract to the contrary, the Excluded Property shall not be subject to the terms and provisions of this Contract or included in the transactions contemplated herein.

Article III PURCHASER'S DILIGENCE; PROPERTY CONTRACTS

3.1 **Diligence Waiver**. Seller and Purchaser hereby acknowledge that Tenant, an affiliate of Purchaser, is currently the sole Tenant at the Property, and that Purchaser owns the Existing UTI Member Interests. As such, Purchaser shall not be afforded any diligence period with respect to evaluating the Property and its purchase of the iStar Member Interests.

3.2 **Property Contracts**. Through the Closing, any Property Contracts to which Property Owner is a party shall be managed in accordance with the Property Owner LLC Agreement.

Article IV TITLE

4.1 **Title Documents**. As Purchaser is a member of the Property Owner, Purchaser is in possession of the Property Owner's 2006 ALTA Owner's Policy of Title Insurance with respect to the Property (the "**Existing Title Policy**"). Seller has previously delivered to Purchaser an updated title commitment for the Property from the Title Insurer (the "**Title Commitment**"), together with copies of all instruments identified as exceptions therein (together with the Title Commitment, referred to herein as the "**Title Documents**"). Payment of all costs relating to procurement of the Title Commitment and any new owner's policy of title insurance ("**New Title Policy**") (and any requested endorsements) which Purchaser elects to obtain shall be the sole obligation of Purchaser.

4.2 **Survey**. As Purchaser is a member of the Property Owner, Purchaser is in possession of that certain ALTA/NSPS Land Title Survey prepared by V3 Companies, dated April 11, 2014 as Project No. 1135.UTI (the "**Existing Survey**"). Purchaser, at its sole cost and expense, shall satisfy itself with respect to any and all survey matters prior to Closing. Purchaser shall be permitted to obtain an update to the Existing Survey or a new survey at its sole cost and expense (a "**New Survey**"), provided that, for the avoidance of doubt, the receipt of any New Survey shall not be a condition precedent to Purchaser's obligations under this Contract.

4.3 **Cure**. As of the Effective Date, Purchaser has had the opportunity to review the Title Documents, the Existing Survey, and any New Survey. Except as set forth below in this Section 4.3, Purchaser shall have no right to object to the matters contained in the Title Documents, Existing Survey, or any New Survey (or if Purchaser does not elect to obtain a New Survey or an update of the Existing Survey, all matters which would be shown in a current survey of the Property). Seller has not agreed to cure any matter in the Title Documents, the Existing Survey, or, if applicable, the New Survey that Purchaser has objected to prior to the Effective Date, and all matters in the Title Documents, the Existing Survey, or any New Survey (or if Purchaser does not elect to obtain a New Survey or an update of the Existing Survey, all matters which would be shown in a current survey of the Property) shall be deemed a Permitted Exception.

4.4 **Permitted Exceptions**. All of the following shall be deemed "**Permitted Exceptions**" for all purposes of this Contract, and the iStar Member Interests and the Property may be subject (on the Effective Date, at Closing and/or at any other time) to any one or more of the following:

4.4.1 With respect to the Property, all matters (i) shown in the Existing Title Policy, the Title Documents, the Existing Survey and any New Survey, (ii) shown in the public land records of the county where the Property is located, (iii) which would be shown in a current survey of the Property or (iv) which would be disclosed by a physical inspection of the Property;

4.4.2 The Lease and Property Contracts and all written matters delivered to Purchaser reflecting the existence or terms of the Lease or Property Contracts, including non-disturbance agreements, notices (or short forms) of Lease or Property Contracts and financing statements pertaining to any Tenant's property;

4.4.3 Applicable zoning, governmental, subdivision, building and other land use laws, regulations and ordinances;

4.4.4 Any lien created, permitted or suffered by any Tenant;

4.4.5 The lien of real estate Taxes and assessments;

4.4.6 Any installation, service, connection, usage or maintenance charge for sewer, water, electricity, telephone, cable or internet service, and any charges due and payable following the Closing Date under any Declarations and REAs which burden or benefit the Property, in each case subject to adjustment or proration as provided in this Contract;

4.4.7 The lien of the Existing Mortgage Financing, unless Purchaser pays off the Existing Mortgage Financing in full at Closing through the Title Insurer;

4.4.8 All matters affecting title to the Property of which Purchaser or its affiliates (including, without limitation, Tenant) has actual knowledge as of the Effective Date;

4.4.9 Any defects in or objections to title to the Property, or title exceptions or encumbrances, arising by, through or under Purchaser or its consultants or agents; and

4.4.10 with respect to the iStar Member Interests, the Entity Exceptions.

Article V CLOSING

5.1 **Closing Date**. The Closing shall occur on the Closing Date by means of a so called "New York style" escrow through Escrow Agent, whereby Seller, Purchaser and their attorneys need not be physically present at the Closing and may deliver documents by overnight air courier or other means. Seller and Purchaser agree that delivery of PDF signatures of executed Closing Documents delivered via email to Purchaser, Seller and/or Escrow Agent (and counsel to Purchaser and Seller), as applicable, will be deemed duly delivered in accordance with the terms of this Contract.

5.2 **Seller Closing Deliveries**. No later than one (1) Business Day prior to the Closing Date (other than the signature page to the closing statement, which is to be delivered on the Closing Date), Seller shall deliver to Escrow Agent, each of the following items, as applicable:

5.2.1 An assignment of the iStar Member Interests (the "**Membership Interests Assignment**") in the form attached as **Exhibit B** from Seller to Purchaser, subject to the Entity Exceptions.

5.2.2 [Omitted]

5.2.3 [Omitted]

5.2.4 Seller's signature to the closing statement prepared by the Escrow Agent.

5.2.5 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Seller's authority to consummate this transaction.

5.2.6 Such disclosures and reports as are required by applicable federal, state and local laws in connection with the conveyance of the iStar Membership Interests.

5.2.7 Any additional documents that Escrow Agent may reasonably require from Seller for the proper consummation of the transactions contemplated by this Contract.

5.2.8 (a) If and to the extent required by the Title Insurer in order to close the transaction, a properly completed and duly executed IRS Form W-9 from Seller certifying as to Seller's status as a U.S. person within the meaning of Section 7701(a)(30) of the Code, and (b) certificates of Seller respecting the "non-foreign" status of Seller in the form set forth in **Exhibit D** attached hereto and incorporated herein.

5.2.9 Such other instruments as are customarily executed in the jurisdiction where the Property is located to effectuate the consummation of the transactions contemplated by this Contract or as may otherwise be reasonably requested by Purchaser.

5.3 **Purchaser Closing Deliveries**. No later than one (1) Business Day prior to the Closing Date (other than the balance of the Purchase Price and the signature page to the closing statement, each of which is to be delivered on the Closing Date), Purchaser shall deliver to the Escrow Agent (for disbursement to the Seller upon the Closing), each of the following items:

5.3.1 The full Purchase Price, plus or minus if then calculated, the adjustments or prorations required by this Contract.

5.3.2 Any declaration, filing or other statement which may be required to be submitted to the local assessor or any applicable governmental authority, evidencing the change in ownership of the Property Owner.

5.3.3 Purchaser's signature to the closing statement prepared by the Escrow Agent.

5.3.4 A countersigned counterpart of the Membership Interests Assignment.

5.3.5 A release of iStar Net Lease I LLC, a Delaware limited liability company, as "Guarantor" under the Existing Mortgage Financing pursuant to Section 5.26 of the Existing Loan Agreement.

5.3.6 Resolutions, certificates of good standing, and such other organizational documents of Purchaser as Title Insurer shall reasonably require evidencing Purchaser's authority to consummate this transaction.

5.3.7 Such disclosures and reports as are required by applicable federal, state and local laws in connection with the conveyance of the iStar Member Interests, including, without limitation, any transfer tax declarations which are required to be completed.

5.3.8 Any additional documents that Escrow Agent may reasonably require from Purchaser for the proper consummation of the transactions contemplated by this Contract.

5.3.9 Such other instruments as are customarily executed in the jurisdiction where the Property is located to effectuate the consummation of the transaction.

5.4 Closing Prorations and Adjustments.

5.4.1 General. Except as otherwise expressly set forth in this Section 5.4, all normal and customarily proratable items in similar transactions primarily relating to real property, including, without limitation, collected rents and other fees, with respect to the Property Owner (as constituted on the Effective Date) and the Property shall be prorated as of 11:59 p.m. on the day prior to the Closing Date, the full Closing Date belonging to Purchaser, with Property Owner (as constituted on the Effective Date) being charged or credited, as the case may be, for all of the same attributable to the period up to the Closing Date (and Seller being credited for any amounts paid by Seller directly (or through Property Owner), and Purchaser being responsible for, and credited or charged, as the case may be, for all of the same paid by Purchaser directly (or through Property Owner) and attributable to the period on and after the Closing Date. Seller shall prepare a proration schedule (the “Proration Schedule”) of the adjustments described in this Section 5.4 prior to Closing. Such adjustments shall be paid by Purchaser to Property Owner (as constituted on the Effective Date) (if the prorations result in a net credit to Property Owner) or by Property Owner (as constituted on the Effective Date) to Purchaser (if the prorations result in a net credit to Purchaser), by increasing or reducing the cash to be paid by Purchaser to Seller at Closing, as applicable. Notwithstanding anything to the contrary contained in the Contract, in no event shall Property Owner (as constituted on the Effective Date) and Purchaser prorate any items that are paid by the Tenant in accordance with the Lease directly to any third party. Purchaser and Seller shall use commercially reasonable efforts to agree upon all prorations and other items in the closing statement (collectively, the “Closing Statement Items”) no fewer than two (2) Business Days prior to Closing. In the event the parties have not agreed on all Closing Statement Items and approved the closing statement prior to two (2) Business Days prior to Closing, Seller’s reasonable good faith estimate of Closing Statement Items as set forth on the Proration Schedule shall govern for purposes of the Closing (subject to each party’s right to adjust the same pursuant to Section 5.5 hereof).

5.4.2 Operating Expenses. The parties hereto acknowledge that all operating expenses are paid directly by Tenant or paid by Property Owner and reimbursed in full by Tenant. As such, there will be no proration of operating expenses at Closing.

5.4.3 Utilities. There shall be no proration of utilities or meter readings required as all utilities are paid directly by Tenant. Any and all utility deposits and deposits with governmental and quasi-governmental authorities shall remain with the Property Owner and not transferred to Seller.

5.4.4 Real Estate Taxes. To the extent of any and all real estate ad valorem or similar Taxes for the Property that are the obligation of Tenant pursuant to the Lease, such Taxes will not be subject to proration at Closing.

5.4.5 Property Contracts. At Closing, the obligations under the Property Contracts will continue to be binding on the Property Owner, to the extent provided or required by the Property Contracts. With respect to any Property Contracts that are not the responsibility of the Tenant, any revenue or expenses thereunder shall be subject to proration at Closing.

5.4.6 Lease. All collected and uncollected rent (whether fixed monthly rentals, additional rentals, escalation rentals, retroactive rentals or other sums and charges payable by Tenant under the Lease) and income from the Property shall be prorated as of the Closing Date. Purchaser shall receive all collected rent and income attributable to dates from and after the Closing Date. Property Owner (as constituted on the Effective Date) shall receive all collected and uncollected rent and income attributable to dates prior to the Closing Date. Notwithstanding the foregoing to the contrary, any Tenant Deposits held by the Property Owner shall remain with the Property Owner and shall not be transferred to Seller and if held by Seller, shall be transferred by Seller to the Property Owner at Closing.

5.4.7 Insurance. 62.1835% of all insurance premiums applicable to Property Owner for the period of time prior to the Closing Date shall be the responsibility of the Purchaser, and 37.8147% of all such insurance premiums for such period shall be the responsibility of Seller. All insurance premiums applicable to the Property Owner for the period of time from and after the Closing Date shall be the responsibility of the Purchaser.

5.4.8 Closing Costs. Purchaser shall pay (i) any premiums or fees required to be paid by Purchaser with respect to obtaining a New Title Policy as set forth in Section 4.1, (ii) the cost of any New Survey if Purchaser so elects to obtain one, (iii) one-half of the customary closing costs of the Escrow Agent, (iv) any prepayment fees or other fees and/or costs charged by the Existing Mortgage Lender (including, without limitation, the reasonable fees of its servicer or respective attorneys) in connection with a prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, (v) 62.1835% of any mortgage tax, title insurance fees and expenses for any loan title insurance policies or recording charges payable in connection with an assumption, permitted transfer of the equity interests in Property Owner, or prepayment in full of the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, (vi) 62.1835% of any loan assumption fees, transfer fees, or other fees and/or costs charged by the Existing Mortgage Lender (including without limitation, the reasonable fees of its servicer or respective attorneys) in connection with an assumption, a permitted transfer of the equity interests in Property Owner with respect to the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, and (vii) the fees and expenses of Purchaser's own attorneys, accountants, consultants and advisors. Seller shall pay or cause to be paid (a) any premiums or fees required to be paid by Seller with respect to obtaining a New Title Policy as set forth in Section 4.1, (b) the cost of recording any instruments required to discharge any liens or encumbrances against the iStar Member Interests or the Property by or through Seller, (c) one-half of the customary closing costs of the Escrow Agent, (d) any transfer taxes with respect to the conveyance of the iStar Member Interests, (e) the fees and expenses of Seller's own attorneys, consultants and advisors, (f) 37.8147% of any mortgage tax, title insurance fees and expenses for any loan title insurance policies, recording charges or other amounts payable in connection with an assumption or permitted transfer of the equity interests in the Property Owner with respect to the Existing Mortgage Financing at Closing in accordance with Section 5.4.13, and (g) 37.8147% of any loan assumption fees, transfer fees, or other fees and/or costs (for the avoidance of doubt, excluding any prepayment fees) charged by the Existing Mortgage Lender in connection with an assumption, permitted transfer of the equity interests in Property Owner with respect to the Existing Mortgage Financing at Closing in accordance with Section 5.4.13.

5.4.9 [Omitted].

5.4.10 Files and Records. To the extent in Seller's Possession, originals or copies of the Lease and Property Contracts, lease files, warranties, guaranties, permits, licenses, operating manuals, keys to the Property, Seller's and Property Owner's books and records relating to the Property and Property Owner (other than proprietary information) (collectively,

“ **Seller’s Property-Related Files and Records** ”) and regarding Property Owner and the Property shall be delivered to Property Owner at the Property immediately after the Closing. Purchaser agrees, for a period of not less than three (3) years after the Closing (the “ **Records Hold Period** ”), to (a) provide and allow (and to cause Property Owner to provide and allow) Seller reasonable access to Seller’s Property-Related Files and Records upon reasonable prior written notice to Purchaser for purposes of inspection and copying thereof at Seller’s sole cost and expense, and (b) reasonably maintain and preserve (and to cause Property Owner to reasonably maintain and preserve) Seller’s Property-Related Files and Records. If at any time after the Records Hold Period, but prior to the expiration of the applicable statute of limitations, Purchaser or Property Owner’s desire to dispose of Seller’s Property-Related Files and Records, Purchaser must first provide Seller prior written notice (the “ **Records Disposal Notice** ”). Seller shall have a period of thirty (30) days after receipt of the Records Disposal Notice to enter the Property (or such other location where such records are then stored) and remove or copy those of Seller’s Property-Related Files and Records that Seller desires to retain.

5.4.11 **Accounts** . Notwithstanding anything contained herein to the contrary, all accounts owned, held and/or maintained by or for the benefit of Seller, and all amounts from time to time on deposit therein (all of the foregoing collectively, the “ **Seller Accounts** ”): (i) are and shall remain or become the property of Seller, (ii) shall not be or remain the property of Property Owner and (iii) shall not be transferred, assigned or conveyed to Purchaser (either directly or through its acquisition of Property Owner) at Closing. Following Closing, Seller shall have the sole right to the Seller Accounts, including, without limitation, the right to cause the disbursement of any funds from time to time in the Seller Accounts. Notwithstanding anything contained herein to the contrary, all accounts owned, held and/or maintained by or for the benefit of the Property Owner, and all amounts from time to time on deposit therein (all of the foregoing collectively, the “ **Shared Accounts** ”): (i) are and shall remain the property of the Property Owner and (ii) Seller’s share through its indirect interests in Property Owner immediately prior to the Closing of all amounts in the Shared Accounts as of Closing shall be distributed to Seller. Following Closing, Seller shall no longer have any rights to the Shared Accounts, including, without limitation, the right to cause the disbursement of any funds from time to time in the Shared Accounts.

5.4.12 **[Omitted]** .

5.4.13 **Assumption, Transfer of Interest, or Prepayment of Existing Mortgage Financing** .

5.4.13.1 Subject to the following paragraph, Purchaser may pursue Existing Mortgage Lender’s approval of either an assumption or consent to the transfer of the equity in Property Owner with respect to the Existing Mortgage Financing. If such approval is granted by Existing Mortgage Lender, at Closing, without duplicating any other credit or proration provided for herein, the Purchaser shall receive a credit against the Purchase Price in an amount equal to 37.8147% of the outstanding principal and interest of the Existing Mortgage Financing as of the Closing Date.

5.4.13.2 In the event Existing Mortgage Lender does not approve an assumption or consent to the transfer of the equity in the Property Owner with respect to the Existing Mortgage Financing or if Purchaser elects to pay off the Existing Mortgage Financing at Closing for any reason, at Closing the Existing Mortgage Financing shall be prepaid in full, in which case, a portion of the Purchase Price equal to 37.8147% of the outstanding principal and interest of the Existing Mortgage Financing as of the Closing Date shall be applied in repayment

of the Existing Mortgage and Purchaser shall cause all remaining amounts due under the Existing Mortgage Financing as of the Closing Date to be paid at the Closing.

5.5 **Post-Closing Adjustments**. Purchaser or Seller may request that Purchaser and Seller undertake to re-adjust any item on the Proration Schedule (or any item omitted therefrom); provided, however, that neither party shall have any obligation to re-adjust any items for the Property Owner or the Property (a) after the expiration of one hundred eighty (180) days after Closing, and (b) subject to such 180-day period, unless such items exceed \$5,000.00 in magnitude (either individually or in the aggregate); provided further, however, that the immediately preceding proviso shall not apply to real estate Taxes. Notwithstanding the foregoing or anything contained herein to the contrary, for the avoidance of doubt, in no event shall the terms and provisions of this Section 5.5 affect Purchaser's or Property Owner's obligations and covenants set forth in Section 7.6.2.

Article VI REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

6.1 **Seller's Representations**. Except in all cases for any fact, information or condition disclosed in the Existing Title Policy and the Title Commitment (and within any document referenced therein), the Permitted Exceptions, the Property Contracts delivered to Purchaser, or of which Purchaser otherwise has actual knowledge, Seller represents and warrants (as qualified by (i) any schedules to this Contract and (ii) pursuant to Section 13.31, any permitted amendments or supplements to such schedules and/or any new schedules to this Contract) to Purchaser the following (collectively, the "**Seller's Representations**") as of the Effective Date and as of the Closing Date; provided that Purchaser's remedies prior to Closing if any such Seller's Representations are untrue as of the Closing Date are limited to those set forth in Section 8.1, provided, further however, that if untruthfulness of any such representation or warranty is caused, directly or indirectly, by any default by Seller under this Contract, Purchaser shall be entitled to exercise its rights and remedies under Section 10.2 below:

6.1.1 Seller is validly existing and in good standing under the laws of the state of its formation set forth in the Transaction Information Schedule; has the entity power and authority to sell and convey the iStar Member Interests and to execute the documents to be executed by Seller and has taken all corporate, partnership, limited liability company or equivalent entity actions and obtained all necessary consents required for the execution and delivery of this Contract, and the consummation of the transactions contemplated by this Contract. Neither the execution and delivery of this Contract nor the compliance with or fulfillment of the terms and conditions hereof, will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract or other agreement or instrument to which Seller or the Property Owner are a party or by which Seller or the Property Owner are otherwise bound or violate any applicable law or legal requirement, which conflict, breach, default or violation would have an adverse effect on Seller's ability to consummate the transaction contemplated by this Contract or on the iStar Member Interests, or the Property Owner, or would be binding upon Purchaser or the Property Owner following Closing. This Contract is a valid and binding agreement, enforceable against Seller in accordance with its terms.

6.1.2 Seller is not a "foreign person" as that term is used and defined in Code Section 1445.

6.1.3 There are no actions, proceedings, litigation or governmental investigations or condemnation actions either pending or, to Seller's knowledge, threatened in

writing against the Property Owner which could reasonably be expected to adversely impact Seller's ability to convey the iStar Member Interests to Purchaser.

6.1.4 There are no Property Contracts to which Seller is a party.

6.1.5 The Property Owner is validly existing and in good standing under the laws of the state of its formation.

6.1.6 Seller owns 100% of the iStar Member Interests, free and clear of all liens, pledges, security interests, pledge, charges, Claims or other encumbrances. The Existing UTI Member Interests constitute the only other outstanding equity interests in Property Owner. There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character, in each case of or issued by Seller, relating to the limited liability company interests in Property Owner or obligating Seller or the Property Owner, as applicable, to issue or sell any shares of capital stock of, or any other ownership interest in Property Owner. Property Owner does not have any outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings that will remain in effect with respect to the voting or transfer of any of the iStar Member Interests after Closing.

6.1.7 Property Owner does not have any employees.

6.1.8 The execution, delivery and performance by Seller of the transactions contemplated by this Contract do not and will not (1) violate any applicable code, resolution, law, statute, regulation, ordinance, judgment, rule, decree or order binding on Seller or Property Owner or (2) result in the creation of any lien, charge or encumbrance (other than this Contract) upon the iStar Member Interests.

6.1.9 Since its inception, (a) Property Owner has not owned any assets other than the Property, operated any business other than its direct ownership of the Property, or been a party to any contract or agreement other than the Property Contracts, and (b) the Property Owner has no liabilities, obligations, guaranties, indemnities, losses, costs and expenses of any kind and description, whether accrued, absolute or contingent, direct or indirect, or matured or unmatured, other than (i) the Existing Mortgage Financing, (ii) the Property Contracts, (iii) the Lease, (iv) the Permitted Exceptions, (v) general organizational expenses incurred in the ordinary course (i.e. franchise taxes in all applicable jurisdictions), and (vi) any liabilities, obligations, guaranties, indemnities, losses, costs or expenses for which (y) have been discharged, or (z) Tenant is obligated to pay directly or reimburse Property Owner pursuant to the Lease.

6.1.10 Seller has not (1) made a general assignment for the benefit of creditors, (2) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors, (3) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (4) suffered the attachment or other judicial seizure of all, or substantially all, of its assets or (5) made an offer of settlement, extension, or composition to its creditors generally.

6.1.11 The Property Owner Certificate and the Property Owner LLC Agreement (each as the same have been amended to date) are in full force and effect and true and complete copies thereof have been made available by Seller to Purchaser. Such organizational documents contain the entire agreement between the parties thereto.

6.1.12 Seller is not a Prohibited Person. To Seller's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in

connection with this Contract is a Prohibited Person. The assets Seller will transfer to Purchaser under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person. The assets Seller will transfer to Purchaser under this Contract are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

6.1.13 [Omitted]

6.1.14 Except for the Broker, the fees and expenses of which are the sole responsibility of, and will be paid by, the Seller, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Contract based upon arrangements made by or on behalf of Seller or the Property Owner.

The representations and warranties set forth in Sections 6.1.1 (but only the first sentence of Section 6.1.1), 6.1.8, 6.1.9, 6.1.12 and 6.1.14 are referred to herein as the “**Fundamental Representations**”.

6.2 **AS-IS**. Subject to the Seller's Representations and the covenants and indemnities of Seller set forth in this Contract, the iStar Member Interests, are being conveyed and transferred to Purchaser in an “**AS IS, WHERE IS**” condition and “**WITH ALL FAULTS**” as of the Effective Date and as of Closing. Except for Seller's Representations and the covenants and indemnities of Seller set forth in this Contract, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or by any partner, officer, person, firm, agent, attorney or representative acting or purporting to act on behalf of Seller or Property Owner as to (a) the condition or state of repair of the Property; (b) the compliance or non-compliance of the iStar Member Interests or the Property with any applicable laws, regulations or ordinances (including, without limitation, any applicable zoning, building or development codes); (c) the value, expense of operation, or income potential of the iStar Member Interests or the Property; (d) any other fact or condition which has or might affect the iStar Member Interests or the Property or the condition, state of repair, compliance, value, expense of operation or income potential of the iStar Member Interests, the Property or any portion thereof; or (e) whether the Property contains asbestos or harmful or toxic substances or pertaining to the extent, location or nature of same. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Contract and the Exhibits hereto annexed, which alone fully and completely express their agreement, and that this Contract has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Contract or the Exhibits annexed hereto.

Purchaser waives its and their respective rights to recover from, and forever releases and discharges the Seller's Indemnified Parties from any and all demands, claims (including, without limitation, causes of action in tort), legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen (collectively, “**Claims**”), that may arise on account of or in any way be connected with the iStar Member Interests or the Property, the physical condition thereof, or any law or regulation applicable thereto (including, without limitation, claims under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 6901, et seq.) (“**CERCLA**”), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (49 U.S.C. Section 1801, et seq.), the Hazardous Transportation Act (42 U.S.C. Section 6901, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et

seq.)), provided, however, that the foregoing release shall not affect or limit in any way Seller's obligations hereunder following Closing arising out of a breach of Seller's Representations or Seller's covenants and indemnities of Seller set forth in this Contract or Seller's fraud or intentional material misrepresentation. Without limiting the foregoing but subject to Seller's Representations, covenants and indemnities set forth in this Contract and Seller's fraud and intentional material misrepresentation, Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller and all Seller's Indemnified Parties from any and all Claims arising out of latent or patent defects or physical conditions of the Property, violations of applicable laws (including, without limitation, any environmental laws) relating to the Property. As part of the provisions of this Section 6.2, but not as a limitation thereon, Purchaser hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known or disclosed, and Purchaser hereby waives any and all rights and benefits which it now has, or in the future may have conferred upon it, by virtue of the provisions of federal, state or local law, rules and regulations, provided however, that the foregoing release shall not affect or limit in any way Seller's obligations hereunder following Closing arising out of a breach of Seller's Representations, covenants and indemnities set forth in this Contract. Purchaser agrees that should any cleanup, remediation or removal of hazardous substances or other environmental conditions on or about the Property be required after the date of Closing, such clean-up, removal or remediation shall not be the responsibility of Seller. Without limiting the foregoing, Purchaser hereby agrees that, if at any time after the Closing, any third-party or governmental authority seeks to hold Purchaser or Property Owner responsible for the presence of, or any loss, cost or damage associated with, hazardous substances in, on, above or beneath the Property or emanating therefrom, then Purchaser waives on behalf of itself and Property Owner and on behalf of each of their respective successors and assigns and each and all of its and their respective direct and indirect members, officers, directors, employees, parents, affiliates or subsidiaries and each of their respective successors and assigns (collectively the "Waiver Parties"), any rights Purchaser or any Waiver Party may have against Seller in connection therewith, including under CERCLA, and Purchaser agrees for itself and all Waiver Parties that neither Purchaser nor any of the Waiver Parties shall (1) implead Seller, (2) bring a contribution action or similar action against Seller or (3) attempt in any way to hold Seller responsible with respect to any such matter.

The waivers and releases set forth this Section 6.2 include Claims of which Purchaser or any Waiver Party is presently unaware or which Purchaser or any Waiver Party does not presently suspect to exist which, if known by Purchaser or a Waiver Party, would materially affect Purchaser's and such Waiver Party's waiver or release of Seller and the other parties referenced in this Section.

The provisions of this Section 6.2 shall survive the Closing.

6.3 Survival of Seller's Representations. Seller and Purchaser agree that (i) Seller's Representations (other than the Fundamental Representations) shall survive the Closing for a period of six (6) months (the "General Representations Survival Period"); and (ii) the Fundamental Representations shall survive the Closing for a period of three (3) years, except that (A) the Fundamental Representation set forth in Section 6.1.9 shall survive Closing for the applicable statute of limitations and (B) the Fundamental Representations set forth in Sections 6.1.12 shall survive the Closing for a period of three (3) years (as applicable, the "Fundamental Representations Survival Period") (the General Representations Survival Period and the Fundamental Representations Survival Period, as applicable to the Seller's Representations covered thereby as set forth in this Section 6.3 above, the "Applicable Survival Period"). Seller shall not have any liability after the Applicable Survival Period with respect to any of Seller's Representations contained herein (which are subject to such Applicable Survival Period) except to the extent that (a) Purchaser has delivered written notice to Seller during such Applicable

Survival Period alleging that Seller is in breach of any such Seller's Representations (which are subject to such Applicable Survival Period) and specifying in reasonable detail the nature of such breach, and (b) Purchaser has commenced litigation against Seller by filing and serving a lawsuit, for breach of any such Seller's Representations (which are subject to such Applicable Survival Period) within thirty (30) days following the expiration of the Applicable Survival Period. Purchaser shall not be entitled to bring any Claim arising out of (A) any breaches of any of Seller's Representations, and/or (B) all other representations, warranties, liabilities, covenants, indemnities and/or obligations of Seller under this Contract unless the Claim for Losses (either in the aggregate or as to any individual Claim) by Purchaser for all such matters exceeds \$50,000.00 (in which case Seller shall be liable back to the first dollar). In the event that Seller breaches any of Seller's Representations and Purchaser had actual knowledge of such breach (i) upon Purchaser's execution and delivery of this Contract, and Purchaser nevertheless executes and delivers this Contract, or (ii) at or prior to Closing, and Purchaser nevertheless elects to close, then in each case Purchaser shall be deemed to have waived any of its rights in connection therewith and Seller shall not have any liability in connection therewith. Seller shall not have any liability in connection with a breach of any of Seller's Representation which is due to the acts or omissions of Purchaser, Tenant, or any affiliate of either Purchaser or Tenant.

PURCHASER IS FAMILIAR WITH, AND HEREBY WAIVES ITS RIGHTS, IF ANY, AT LAW OR IN EQUITY TO COMMENCE A LEGAL ACTION OR PROCEEDING AGAINST SELLER RELATING TO THE PROPERTY OR THE ISTAR MEMBER INTERESTS OR A BREACH OF A REPRESENTATION, WARRANTY, COVENANT OR CONDITION MADE IN THIS CONTRACT BY SELLER OR IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREIN, AT ANY TIME AFTER THE EXPIRATION OF THE APPLICABLE SURVIVAL PERIOD (OR THE EXPIRATION OF THE THIRTY (30) DAY PERIOD FOLLOWING THE EXPIRATION OF THE APPLICABLE SURVIVAL PERIOD IF PROPER WRITTEN NOTICE IS DELIVERED PURSUANT TO THIS SECTION 6.3).

Purchaser indicates its acknowledgment of the foregoing provisions of this Section 6.3 by initialing below:

Purchaser Initials: _____

6.4 **Definition of Knowledge**. For purposes of this Contract, the term "**knowledge**" shall mean (i) with respect to Seller, the actual knowledge of the "Seller's Designated Representative" of Seller, without any duty of inquiry or investigation (or the imposition of any individual personal liability upon such Seller Designated Representative), and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Seller, or any affiliate of Seller (including, without limitation, the Property Owner), and (ii) with respect to Purchaser, (A) the actual knowledge of the "Purchaser Designated Representative" of Purchaser (without the imposition of any individual personal liability upon such Purchaser Designated Representative), (B) any matter disclosed in any exhibits or schedules to this Contract (as updated from time to time pursuant to this Contract), and (C) any matter disclosed by any investigations of the Property performed by Purchaser (including, without limitation, the Phase I Report). As used herein, the term "**Seller Designated Representative**" shall refer to Matt Ballinger, being the asset manager responsible for the disposition of the Property, and being an individual possessing the requisite familiarity with Property Owner in order to determine the veracity of the representations made by Seller herein, and the term "actual knowledge" shall mean, with respect to the Seller Designated Representative, the conscious awareness of such Seller Designated Representative at the time in question, and expressly excludes any constructive or implied knowledge of such Seller Designated Representative. As used herein, the term "**Purchaser Designated Representative**"

shall refer to Troy Anderson, and being an individual possessing the requisite familiarity with the Purchaser in order to determine the veracity of the representations made by Purchaser herein, and the term “actual knowledge” shall mean, with respect to the Purchaser Designated Representative, the conscious awareness of such Purchaser Designated Representative at the time in question, and expressly excludes any constructive, imputed or implied knowledge of any such Purchaser Designated Representative.

6.5 **Representations and Warranties of Purchaser**. For the purpose of inducing Seller to enter into this Contract and to consummate the sale and purchase of the iStar Member Interests in accordance herewith, Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

6.5.1 Purchaser is a limited liability company duly organized or formed, validly existing and in good standing under the laws of Delaware.

6.5.2 Purchaser, acting through any of its or their duly empowered and authorized officers or members, has all necessary entity power and authority to own and use its properties and to transact the business in which it is engaged, and has full power and authority to enter into this Contract, to execute and deliver the documents and instruments required of Purchaser herein, and to perform its obligations hereunder; and no consent of any of Purchaser’s partners, directors, officers or members are required to so empower or authorize Purchaser to execute and deliver this Contract which has not been heretofore obtained. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Purchaser is a party or by which Purchaser is otherwise bound, which conflict, breach or default would have a material adverse effect on Purchaser’s ability to consummate the transaction contemplated by this Contract. This Contract is a valid, binding and enforceable agreement against Purchaser in accordance with its terms.

6.5.3 No pending or, to the knowledge of Purchaser, threatened litigation exists involving Purchaser which if determined adversely would restrain the consummation of the transactions contemplated by this Contract or would declare illegal, invalid or non-binding any of Purchaser’s obligations or covenants to Seller.

6.5.4 Other than Seller’s Representations, Purchaser has not relied on any representation or warranty made by Seller or any representative of Seller (including, without limitation, Broker) in connection with this Contract and the acquisition of the iStar Member Interests (and an interest in the Property through the acquisition of the iStar Member Interests).

6.5.5 The Broker and its affiliates do not, and will not at the Closing, have any direct or indirect legal, beneficial, economic or voting interest in Purchaser (or in an assignee of Purchaser, which pursuant to Section 13.3, acquires the iStar Member Interests at the Closing), nor has Purchaser or any affiliate of Purchaser granted (as of the Effective Date or the Closing Date) the Broker or any of its affiliates any right or option to acquire any direct or indirect legal, beneficial, economic or voting interest in Purchaser.

6.5.6 Purchaser is not a Prohibited Person.

6.5.7 To Purchaser’s knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Contract is a Prohibited Person.

6.5.8 The funds or other assets Purchaser will transfer to Seller under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

6.5.9 The funds or other assets Purchaser will transfer to Seller under this Contract are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

6.5.10 (a) Purchaser is not an employee benefit plan as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974 (“**ERISA**”), which is subject to Title I of ERISA, or a “plan” as defined in Code Section 4975; (b) the assets of Purchaser do not constitute “plan assets” of one or more such plans for purposes of Title I of ERISA or Code Section 4975; (c) Purchaser is not a “governmental plan” within the meaning of Section 3(32) of ERISA, and assets of Purchaser do not constitute plan assets of one or more such plans; and (d) transactions by or with Purchaser are not in violation of state statutes applicable to Purchaser regulating investments of and fiduciary obligations with respect to governmental plans.

Article VII OPERATION OF THE PROPERTY

7.1 **General Operations of the Property; Leases and Property Contracts** . During the period of time from the Effective Date through Closing, the Property shall be operated by the Property Owner in the ordinary course of business consistent with past practices and in accordance with the terms of the Property Owner LLC Agreement.

7.2 **[Omitted]**.

7.3 **[Omitted]**.

7.4 **Operation of the Property Owner** . During the period of time from the Effective Date through Closing, the Property Owner shall be managed in the ordinary course consistent with past practices and in a manner in accordance with the terms of the Property Owner LLC Agreement and as contemplated by this Contract. In furtherance of the foregoing, Seller will not approve or take any action causing the Property Owner to (a) own any assets other than the Property, or incur any liabilities, enter into any contracts or operate any business other than in connection with its ownership of the Property; (b) issue any new shares or other interests, (c) amend the Property Owner Certificate or the Property Owner LLC Agreement; (d) sell, directly or indirectly, any interest in the Property Owner, including any of the iStar Member Interests, (e) enter into any new or modify or terminate any existing, Property Contract or any other agreement affecting the Property or (f) agree to do any of the foregoing.

7.5 **Liens** . Seller covenants that it will not, and Seller will not permit Property Owner to, voluntarily create or voluntarily grant any lien or encumbrance to attach to the iStar Member Interests or the Property (which in any event will not include (A) any lien created, permitted or suffered by any Tenant or (B) any Permitted Exception) between the Effective Date and the Closing Date (other than in accordance with the Property Owner LLC Agreement) unless Purchaser approves such lien or encumbrance, which approval shall not be unreasonably withheld, conditioned or delayed.

7.6 Tax Matters.

7.6.1 Tax Contests.

7.6.1.1 Taxable Period Terminating Prior to Closing Date. Seller shall retain the right to commence, continue and settle (on Seller's behalf or on behalf of Property Owner) any proceeding to contest any Taxes for any taxable period which terminates prior to the Closing Date, and Seller shall be entitled to any refunds or abatements of Taxes awarded in such proceedings.

7.6.1.2 Taxable Period Including the Closing Date. Seller shall have the right to commence, continue and settle (on Seller's behalf or on behalf of Property Owner) any proceeding to contest any Taxes for any taxable period which includes the Closing Date. Notwithstanding the foregoing, if Purchaser desires to contest any Taxes for such taxable period (on Purchaser's behalf or on behalf of Property Owner) and Seller has not commenced (and Seller has not caused Property Owner to commence) any proceeding to contest any such Taxes for such taxable period, Purchaser shall provide written notice requesting that Seller contest (or that Seller cause Property Owner to contest) such Taxes. If Seller desires to contest (or if Seller desires to cause Property Owner to contest) such Taxes, Seller shall provide written notice to Purchaser within thirty (30) days after receipt of Purchaser's request confirming that Seller will contest (or that Seller will cause Property Owner to contest) such Taxes. If Seller fails to provide such written notice confirming that Seller will contest (or that Seller will cause Property Owner to contest) such Taxes within such thirty (30) day period, Purchaser shall have the right to contest (or Purchaser shall have the right to cause Property Owner to contest) such Taxes. Any refunds or abatements awarded in such proceedings shall be used first to reimburse the party contesting such Taxes for the reasonable costs and expenses incurred by such party in contesting such Taxes and the remainder of such refunds or abatements shall be prorated between Seller and Purchaser as of the Closing Date, and the party receiving such refunds or abatements shall promptly pay (or cause to be paid) such prorated amount due to the other party.

7.6.1.3 Taxable Period Commencing After the Closing Date. Purchaser shall have the right to commence, continue and settle (on Purchaser's behalf or on behalf of Property Owner) any proceedings to contest Taxes for any taxable period which commences after the Closing Date, and shall be entitled to any refunds or abatements of Taxes awarded in such proceedings.

7.6.1.4 Cooperation. Seller and Purchaser shall use commercially reasonable efforts to cooperate (and shall cause Property Owner to cooperate) with the party contesting the Taxes (at no cost or expense to the party not contesting the Taxes other than any de minimis cost or expense or any cost or expense which the requesting party agrees in writing to reimburse).

7.6.1.5 The provisions of this Section 7.6.1 shall survive Closing.

7.6.2 No 338 Election. None of the Purchaser or any affiliate shall make any election under Section 338 of the Code with respect to the transactions contemplated by this Contract. The provisions of this Section 7.6.2 shall survive Closing until any applicable statute of limitations has expired.

7.6.3 [Omitted].

7.6.4 Real Estate Taxes. Notwithstanding anything herein to the contrary, the provisions of this Section 7.6.4 shall not apply to any Taxes that are to be prorated between Seller and Purchaser pursuant to Sections 5.4.1, 5.4.4 and 7.6.1. The provisions of this Section 7.6.4 shall survive Closing.

7.6.5 Purchaser Tax Contact. All notices or inquiries with respect to Tax matters (including with respect to Tax compliance matters after the Closing Date) may be addressed to Purchaser to the addressee at its address set forth following its name below.

7.6.6 [Omitted].

7.7 [Omitted].

7.8 Litigation; Violations. Seller shall promptly notify Purchaser of any litigation, arbitration, proceeding, or administrative hearing (including condemnation) before any governmental authority that Seller gains knowledge of, which affects Seller, Property Owner or the Property which is instituted after the Effective Date and which, if adversely determined, could materially adversely affect (i) Seller's ability to consummate the transactions contemplated by this Contract, (ii) Purchaser in connection with its ownership of Property Owner or (iii) the use, value or operation of the Property. Seller shall promptly deliver to Purchaser after receipt thereof copies of any written notices of alleged violations or other material written notices regarding the Property (including any material default under any Property Contract) received by Seller or Property Owner.

Article VIII CONDITIONS PRECEDENT TO CLOSING

8.1 Purchaser's Conditions to Closing. Purchaser's obligation to close under this Contract shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.1.1 All of the documents required to be delivered by Seller to Purchaser at the Closing pursuant to Section 5.2 shall have been delivered;

8.1.2 The (a) Fundamental Representations shall be true and correct in all respects as of the Closing Date, and (b) the Seller's Representations (other than the Fundamental Representations) shall be true and correct in all material respects as of the Closing Date (other than (x) where Purchaser had actual knowledge that such Seller Representation was not true and correct upon Purchaser's execution and delivery of this Contract, or (y) where the failure of the Seller's Representations to be true in all material respects as of the Closing Date results from changed facts, conditions, circumstances, or acts or omissions which are (i) expressly permitted pursuant to the terms of this Contract, (ii) covered separately under Articles XI or XII herein, (iii) the acts or omissions of Purchaser, Tenant, or any affiliate of either Purchaser or Tenant, or (iv) defaults by any party other than the Property Owner under the Property Contracts or Lease);

8.1.3 Seller shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Seller hereunder;

8.1.4 There shall not be pending any litigation or, to the knowledge of either Purchaser or Seller, any threatened litigation, which, if determined adversely, would restrain the

consummation of any of the transactions contemplated by this Contract or declare illegal, invalid or nonbinding any of the covenants or obligations of the Seller;

8.1.5 Neither Seller nor Property Owner shall be a debtor in any bankruptcy proceeding nor shall Seller or Property Owner have been a debtor in any bankruptcy proceeding; and

Notwithstanding anything to the contrary, there are no other conditions to Purchaser's obligation to close except as expressly set forth in this Section 8.1. If any condition set forth in Section 8.1 is not met with respect to Seller, Purchaser may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date with no offset or deduction from the Purchase Price, or (b) terminate this Contract by delivering written notice to Seller to that effect, in which case this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions. Notwithstanding the foregoing, in the event that the failure of any such condition precedent is a result of a default or breach by Seller, Purchaser shall also be entitled to exercise its remedies pursuant to Section 10.2 below.

8.2 **Seller's Conditions to Closing**. Without limiting any of the rights of Seller elsewhere provided for in this Contract, Seller's obligation to close with respect to the conveyance of the iStar Member Interests under this Contract shall be subject to and conditioned upon the fulfillment of the following conditions precedent:

8.2.1 All of the documents and funds required to be delivered by Purchaser to Seller at the Closing pursuant to the terms and conditions hereof shall have been delivered;

8.2.2 Each of the representations and warranties of Purchaser contained herein shall be true in all material respects as of the Closing Date;

8.2.3 Purchaser shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Purchaser hereunder;

8.2.4 There shall not be pending any litigation or, to the knowledge of either Purchaser or Seller, any threatened litigation, which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid or nonbinding any of the covenants or obligations of the Purchaser; and

8.2.5 In the event the transfer of the iStar Member Interests from Seller to Purchaser is approved by the Existing Mortgage Lender, the Existing Mortgage Lender shall have provided written confirmation of release of Seller and any affiliate of Seller from any and all obligations with respect to the Existing Mortgage Financing, including, without limitation, any guaranties and environmental indemnities provided by Seller and any affiliate of Seller; and

If any of the foregoing conditions to Seller's obligation to close with respect to the conveyance of the iStar Member Interests under this Contract are not met, Seller may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date, or (b) terminate this Contract by providing written notice thereof to Purchaser, and, if such failure (I) does not constitute a material default by Purchaser, then this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions, or (II) does constitute a material default by Purchaser, then Seller may exercise any of Seller's remedies under Section 10.1.

Article IX BROKERAGE

9.1 **Indemnity**. Seller represents and warrants to Purchaser that Seller is represented by only Eastdil Secured, L.L.C. (“**Broker**”) in connection with this Contract and that Seller is solely responsible for any commissions or finder’s fees relating to the engagement of Broker and Broker’s services pursuant thereto. Purchaser represents and warrants to Seller that Purchaser is not represented by any broker in connection with this Contract. Seller and Purchaser each represents and warrants to the other that, other than Broker, it has not dealt with or utilized the services of any other real estate broker, sales person or finder in connection with this Contract, and each party agrees to indemnify, hold harmless, and, if requested in the sole and absolute discretion of the indemnitee, defend (with counsel approved by the indemnitee) the other party from and against all Losses relating to brokerage commissions and finder’s fees arising from or attributable to the acts or omissions of the indemnifying party, which obligation shall survive the Closing.

9.2 **Broker Commission**. If, as and when the Closing occurs, Seller agrees to pay Broker a commission according to the terms of a separate contract. Broker shall not be deemed a party or third party beneficiary of this Contract.

Article X DEFAULTS AND REMEDIES

10.1 **Purchaser Default**. As long as Seller is not then in material default of its covenants and obligations hereunder, if Purchaser, prior to Closing, defaults in its obligations hereunder to (a) deliver to Seller the deliveries specified under Section 5.3 by Closing, or (b) deliver the Purchase Price at the time required by Section 2.2.4 and close on the purchase of the iStar Member Interests on the Closing Date, then, immediately and without the right to receive notice or to cure pursuant to Section 2.3.3, as Seller’s sole and exclusive remedy, neither party shall be obligated to proceed with the purchase and sale of the iStar Member Interests and neither party shall have any further rights, obligations or liabilities hereunder except for the Surviving Provisions. If Purchaser, prior to Closing, defaults in any material respect under any of its other representations, warranties or obligations under this Contract, and such default continues for more than ten (10) days after written notice from Seller, then, as Seller’s sole and exclusive remedy, neither party shall be obligated to proceed with the purchase and sale of the iStar Member Interests and neither party shall have any further rights, obligations or liabilities hereunder except for the Surviving Provisions.

10.2 **Seller Default**. As long as Purchaser is not then in material default of its covenants and obligations hereunder if Seller, prior to the Closing, materially defaults in its covenants or obligations under this Contract, and such material default continues for more than ten (10) days after written notice from Purchaser (it being acknowledged, however, that no such cure period shall be applicable to a default by Seller to deliver to Purchaser the deliveries specified under section 5.2 by Closing or sell the iStar Member Interests as required by this Contract on the Closing Date), then, at Purchaser’s election and as Purchaser’s sole and exclusive remedy, either (a) subject to the conditions below, Purchaser may seek specific performance of Seller’s obligations under this Contract, including, without limitation, to deliver the Membership Interests Assignment pursuant to this Contract (but not damages) or (b) Purchaser may deliver written notice to Seller of Purchaser’s decision to terminate this Contract, in which case this Contract shall terminate and be of no further force and effect subject to and except for the Surviving Provisions. If Purchaser elects to seek specific performance in accordance with clause (a) in the immediately preceding sentence and subsequently receives a final judgement that such remedy is unavailable due to an act of Seller, Seller shall reimburse

Purchaser (within ten (10) days of Seller's receipt of Purchaser's written notice and evidence of such costs) the actual out-of-pocket costs and expenses (including without limitation attorneys' and consultants' fees) incurred by Purchaser in connection with this Contract and/or the transaction contemplated hereby up to a maximum reimbursement of such out-of-pocket costs of \$250,000 in the aggregate. Purchaser may seek specific performance of Seller's obligations under this Contract only if, as a condition precedent to initiating such litigation for specific performance, Purchaser first shall (i) deliver all Closing deliveries (other than the Purchase Price) to Escrow Agent in accordance with the requirements of this Contract, including, without limitation, Section 5.3; (ii) not otherwise be in material default under this Contract; and (iii) file suit therefor with the court on or before ninety (90) days after the delivery of all Purchaser Closing deliveries (other than the Purchase Price) to Escrow Agent in accordance with the requirements of this Contract, including, without limitation, and Section 5.3; if Purchaser fails to file an action for specific performance within ninety (90) days after the Closing Date, then Purchaser shall be deemed to have elected to terminate the Contract in accordance with Section 10.2(b) above.

SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.2 IS INTENDED TO AND DOES LIMIT THE AMOUNT OF DAMAGES DUE PURCHASER AND THE REMEDIES AVAILABLE TO PURCHASER, AND SHALL BE PURCHASER'S EXCLUSIVE REMEDY AGAINST SELLER, BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A BREACH BY SELLER OF ITS REPRESENTATIONS, WARRANTIES OR COVENANTS PRIOR TO CLOSING OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT PRIOR TO CLOSING. THE IMMEDIATELY PRECEDING SENTENCE SHALL SURVIVE THE TERMINATION OF THIS CONTRACT. UNDER NO CIRCUMSTANCES MAY SELLER OR PURCHASER SEEK OR BE ENTITLED TO RECOVER ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH SELLER AND PURCHASER SPECIFICALLY WAIVES, FROM THE OTHER FOR ANY BREACH BY SELLER AND PURCHASER, OF THEIR RESPECTIVE REPRESENTATIONS, WARRANTIES OR COVENANTS OR ITS OBLIGATIONS UNDER THIS CONTRACT. THE IMMEDIATELY PRECEDING SENTENCE SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS CONTRACT. PURCHASER SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY UNLESS AND UNTIL IT HAS IRREVOCABLY ELECTED TO SEEK SPECIFIC PERFORMANCE OF THIS CONTRACT AND HAS FILED AND IS DILIGENTLY PURSUING AN ACTION SEEKING SUCH REMEDY. NOTHING IN THIS SECTION 10.2 IS INTENDED TO LIMIT SELLER'S OBLIGATIONS OR LIABILITIES UNDER SECTIONS 6.2, 7.6 OR 7.7 HEREUNDER.

Article XI RISK OF LOSS OR CASUALTY

11.1 **No Termination Right**. Purchaser and Seller hereby acknowledge that Purchaser shall have no right to terminate this Contract as a result of damage or destruction sustained by the Property by any cause and to any extent.

Article XII EMINENT DOMAIN

12.1 **No Termination Right**. Purchaser and Seller hereby acknowledge that Purchaser shall have no right to terminate this Contract as a result of an acquisition of any portion of the

Property by any governmental agency by the powers of eminent domain or transfer in lieu thereof.

Article XIII
MISCELLANEOUS

13.1 **Binding Effect of Contract**. This Contract shall not be binding on any party until executed by Purchaser and all Seller. The Escrow Agent's execution of this Contract shall not be a prerequisite to its effectiveness. Subject to **Section 13.3**, this Contract shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and permitted assigns.

13.2 **Exhibits and Schedules**. All Exhibits and Schedules, whether or not annexed hereto, are a part of this Contract for all purposes.

13.3 **Assignability**. This Contract is not assignable by Purchaser without first obtaining the prior written approval of Seller and is not assignable by Seller without first obtaining the prior written approval of Purchaser. Notwithstanding the foregoing, Purchaser may assign this Contract, without first obtaining the prior written approval of Seller, to facilitate the acquisition of the iStar Member Interests by a separate entity formed by Purchaser or other affiliate of Purchaser, so long as (a) Purchaser is an affiliate of the purchasing entity, (b) Purchaser is not released from its liability hereunder, and (c) Purchaser provides written notice to Seller of any proposed assignment no later than five (5) days prior to the Closing Date. As used herein, an affiliate is a person or entity controlled by, under common control with, or controlling another person or entity. Any transfer after the date hereof of a majority of the stock, partnership interests, membership interests or other beneficial interests of Purchaser, whether in a single transaction or in a series of transactions, without obtaining the prior written consent of Seller, shall be deemed a prohibited assignment by Purchaser of its interest hereunder. No transfer or assignment by Purchaser in violation of the provisions hereof shall be valid or enforceable.

13.4 **Captions**. The captions, headings, and arrangements used in this Contract are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

13.5 **Number and Gender of Words**. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

13.6 **Notices**. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) electronic delivery. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Notices given by counsel to a party shall be deemed given by such party. Each party shall be entitled to change its address for notices from time to time by

delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

To Purchaser:

Universal Technical Institute Ventures, LLC
4225 E. Windrose Drive
Suite 200
Phoenix, AZ 85032
Attention: Legal

With a copy to:

DLA Piper LLP (US)
2525 East Camelback Road, Suite 1000
Phoenix, Arizona 85016
Attention: David P. Lewis
Email: david.lewis@us.dlapiper.com

To Seller:

c/o iStar Inc.
1114 Avenue of the Americas, 38th Floor
New York, New York 10036
Attention: Doug Heitner
E-mail: dheitner@istar.com

With a copy to:

c/o iStar Inc.
3480 Preston Ridge Road
Suite 575
Alpharetta, GA 30005
Attention: Matt Ballinger
E-mail: mballinger@istar.com

With a copy to:

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Jason Vismantas
Email: jason.vismantas@katten.com

Any notice required hereunder to be delivered to the Escrow Agent shall be delivered in accordance with above provisions as follows:

Chicago Title Insurance Company
711 Third Avenue, Suite 800
New York, NY 10017
Attention: John Caruso
Telephone: (212) 800-1221

Email Address: john.caruso@ctt.com

Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Contract, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

13.7 **Governing Law and Venue**. The laws of the State of Delaware shall govern the validity, construction, enforcement, and interpretation of this Contract. All claims, disputes and other matters in question arising out of or relating to this Contract, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in the State of Illinois.

13.8 **Entire Agreement**. This Contract and the documents, instrument and certificates executed and delivered by the parties hereto at Closing embody the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and contracts, whether written or oral.

13.9 **Amendments**. This Contract shall not be amended, altered, changed, modified, supplemented or rescinded in any manner except by a written contract executed by all of the parties; provided, however, that, the signature of the Escrow Agent shall not be required as to any amendment of this Contract other than an amendment of Section 2.3.

13.10 **Severability**. In the event that any part of this Contract shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed, and enforced to the maximum extent permitted by law. If such provision cannot be reformed, it shall be severed from this Contract and the remaining portions of this Contract shall be valid and enforceable.

13.11 **Multiple Counterparts/Facsimile Signatures**. This Contract may be executed in a number of identical counterparts. This Contract may be executed by facsimile signatures or electronic delivery of signatures which shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

13.12 **Construction**. No provision of this Contract shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Contract; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

13.13 **Confidentiality**. Each of Seller and Purchaser acknowledges that all information and material obtained by Purchaser in connection with its investigation of the iStar Member Interests and the Property and the terms and conditions of this Contract and the existence of the transactions contemplated by this Contract (collectively, the “**Confidential Information**”) are strictly confidential. Each of Seller and Purchaser may disclose the Confidential Information only to its affiliates, actual and potential investment and/or operating partners, providers of equity, title insurers, financial advisors, potential lenders and lenders (and rating agencies, if necessary), brokers, accountants and attorneys (“**Permitted Recipients**”) who are directly involved in the transactions contemplated by this Contract and who have been notified of the confidential nature of the Confidential Information. Neither party nor any of its Permitted Recipient shall disclose the Confidential Information to any other person or party. Nothing contained herein shall prohibit disclosure of any Confidential Information as required by applicable law, rule, regulation or legal, administrative, judicial process (including any requested disclosure by any regulatory or supervisory authority). In permitting Purchaser and its Permitted

Recipients to review any Confidential Information, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third-party benefits or relationships of any kind, either express or implied, have been offered, intended or created. Seller shall have the right to pursue all of its rights and remedies available to Seller, at law and/or in equity, as a result of any breach by Purchaser or any of its permitted recipients of the Confidentiality Agreement, dated as of November 17, 2015, and Purchaser shall be responsible to Seller for any such breach of the Confidentiality Agreement. Notwithstanding anything in the foregoing to the contrary, except to the extent required by applicable law, rule, regulation or legal, administrative, judicial process (including any requested disclosure by any regulatory or supervisory authority), neither Purchaser nor Seller shall issue any press release or otherwise permit any public announcement disclosing the terms of the sale, naming the other party or any of its affiliates as having any involvement in the transaction, without the other party's prior written consent, which consent shall not be unreasonably withheld.

13.14 **Time of the Essence** . It is expressly agreed by the parties hereto that time is of the essence with respect to this Contract and any aspect thereof.

13.15 **Waiver** . No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

13.16 **Attorneys' Fees** . In the event either party hereto commences litigation or arbitration against the other to enforce its rights hereunder, the prevailing party in such litigation shall recover from the other party its reasonable attorneys' fees and expenses incidental to such litigation and arbitration, including the cost of in-house counsel and any appeals. Nothing in this Contract shall create in favor of any party hereto (and nothing in this Contract shall be deemed to create in favor of any party hereto) the right to commence any arbitration proceeding in connection with, or as a result of any matter or dispute arising under, this Contract.

13.17 **Time Zone/Time Periods** . Any reference in this Contract to a specific time shall refer to Pacific Time. Should the last day of a time period fall on a weekend or legal holiday, the next Business Day thereafter shall be considered the end of the time period.

13.18 **No Personal Liability of Officers, Trustees or Directors of Seller's Partners** . Purchaser acknowledges that this Contract is entered into by Seller, and Purchaser agrees that none of Seller's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract. Seller acknowledges that this Contract is entered into by Purchaser, and Seller agrees that none of Purchaser's direct or indirect affiliates, partners, members, managers, shareholders, officers, directors, employees, trustees, counsel, representatives or agents shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.19 [**Omitted**]

13.20 **ADA Disclosure** . Without limiting Seller's Representations, Purchaser acknowledges that the Property may be subject to the federal Americans With Disabilities Act (the "**ADA**"). The ADA requires, among other matters, that tenants and/or owners of "public accommodations" remove barriers in order to make a property accessible to disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons. Without

limiting Seller's Representations, Seller make no warranty, representation or guarantee of any type or kind with respect to the Property's compliance with the ADA (or any similar state or local law), and Seller expressly disclaim any such representations.

13.21 **No Recording**. Purchaser shall not cause or allow this Contract or any contract or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record without Seller's prior written consent, which consent may be withheld at Seller's sole discretion. If Purchaser records this Contract or any other memorandum or evidence thereof, Purchaser shall be in default of its obligations under this Contract, and Purchaser shall be solely responsible for any transfer or recordation Taxes incurred as a result thereof. Purchaser hereby appoints Seller and Property Owner as Purchaser's attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Contract or other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable. The foregoing prohibitions shall not preclude the recording or filing of a lis pendens by Purchaser in accordance with Section 10.2 above.

13.22 **[Omitted]**.

13.23 **Relationship of Parties**. Purchaser and Seller acknowledge and agree that the relationship established between the parties pursuant to this Contract is only that of a seller and a purchaser of property. Neither Purchaser nor any Seller is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

13.24 **Waiver of Trial by Jury**. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING OUT OF THIS CONTRACT.

13.25 **Seller Marks**. Purchaser agrees that Seller or any of its respective affiliates, are the sole owners of all right, title and interest in and to the Seller Marks (or have the right to use such Seller Marks pursuant to license agreements with third parties) and that no right, title or interest in or to the Seller Marks is granted, transferred, assigned or conveyed as a result of this Contract. Purchaser further agrees that Purchaser will not use the Seller Marks for any purpose.

13.26 **[Omitted]**.

13.27 **Further Assurances**. Following the Closing, each of the parties hereto shall, and shall cause their respective affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Contract.

13.28 **Survival**. Except for (a) all of the provisions of this Article XIII; (b) Sections 2.3, 5.4, 5.5, 6.1, 6.2, 6.3, 6.5, 7.6, and 9.1; and (c) any other provisions in this Contract, that by their express terms survive the Closing (the foregoing (a), (b) and (c) are referred to herein as the "**Surviving Provisions**"), none of the terms and provisions of this Contract shall survive the Closing, and all of the terms and provisions of this Contract (other than the Surviving Provisions, which shall survive the Closing) shall be merged into the Closing documents and shall not survive the Closing and no party hereto shall have any liability hereunder after the Closing in respect of such provisions that do not survive the Closing.

13.29 **Multiple Purchasers**. As used in this Contract, the term "**Purchaser**" means all entities acquiring any of the iStar Member Interests at the Closing, including, without limitation, any assignee(s) of the original Purchaser pursuant to Section 13.3 of this Contract. In the event

that “ **Purchaser** ” has any obligations or makes any covenants, representations or warranties under this Contract, the same shall be made jointly and severally by all entities being a Purchaser hereunder.

13.30 **Incorporation of Recitals, Exhibits and Schedules** . The recitals to this Contract, and all exhibits and schedules (as amended, modified and supplemented from time to time pursuant to Section 13.31) referred to in this Contract are incorporated herein by such reference and made a part of this Contract. Any matter disclosed in any schedule to this Contract shall be deemed to be incorporated in all other schedules to this Contract.

13.31 **Updates of Schedules** . Seller shall have the right to amend and supplement any schedule, or provide a new schedule, to this Contract from time to time without Purchaser’s consent to the extent that (i) such schedule needs to be amended, supplemented, or provided to maintain the truth or accuracy of the applicable Seller’s Representation or the information disclosed therein, and (ii) such Seller did not have knowledge as of the Effective Date of the matter being disclosed in such amendment, supplement, or new schedule provided, however, that any amendment or supplement to the schedules to this Contract shall have no effect for the purposes of determining whether the condition in Section 8.1.2 has been satisfied, but shall have effect only for the purposes of limiting the defense and indemnification obligations of the Seller for the inaccuracy or untruth of the representation or warranty qualified by such amendment or supplement following the Closing in the event Purchaser does not exercise its right to terminate this Contract. In addition, nothing shall be deemed to limit Purchaser’s rights hereunder in the event the amendment or supplement to the schedules is a result of a default in Seller’s covenants and obligations hereunder.

13.32 **Not an Offer** . The delivery by Seller of this Contract shall not constitute an offer to sell the iStar Member Interests, Property Owner, or the Property, and Seller shall have no obligation to sell the iStar Member Interests to Purchaser, unless and until Purchaser and Seller have each executed and delivered this Contract to the other party.

**[Remainder of Page Intentionally Left Blank;
Signature Page Follows]**

NOW, THEREFORE, the parties hereto have executed this Contract as of the date first set forth above.

Seller:

iSTAR NET LEASE MEMBER I LLC ,
a Delaware limited liability company

By: _____
Name: Catherine Tenney
Title: Senior Vice President

Purchaser:

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC ,
a Delaware limited liability company

By: Universal Technical Institute, Inc.
Its: Sole Member

By: _____
Name: Troy Anderson
Title: Vice President and Chief Financial Officer

Purchaser's Tax Identification Number/Social Security Number:
46-0984124

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Contract to which this signature page is attached for the purpose of agreeing to the provisions of Section 2.3 of the Contract, and hereby designates _____ as the escrow number assigned to this escrow.

ESCROW AGENT :

CHICAGO TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

SCHEDULE A

TRANSACTION INFORMATION SCHEDULE

NAME OF PROPERTY AND ADDRESS	STATE OF FORMATION OF SELLER	PURCHASE PRICE
<i>2611 Corporate Drive, Lisle, IL 60532</i>	Delaware	\$21,932,526.00

Schedule A

SCHEDULE B

LEASE

Lease Agreement by and between 2611 Corporate West Drive Venture LLC, as "Landlord", and U.T.I. of Illinois, Inc., as "Tenant", dated as of August 22, 2012.

Schedule B

Schedule 6.1.4

Property Contracts

None.

Schedule 6.1.4

Schedule 6.1.13.3

Tax Contests & Liens

None.

Schedule 6.1.4

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

Lot 1 in Corporate West Unit 3 Resubdivision, being a subdivision of Lots 1 through 4 inclusive, in Corporate West Unit Three, being a subdivision of parts of Sections 4 and 9, Township 38 North, Range 10, East of the Third Principal Meridian, according to the plat thereof recorded on February 5, 2013 in the Recorder's Office of Du Page County, Illinois as document number R2013-019199.

Parcel 2:

Easement for ingress and egress as contained on Plat of Subdivision recorded as document R76-92672 and as contained in Conditions, Covenants, Restrictions, Reservations, Grants And Easements dated June 1, 1977 and recorded July 14, 1977 as document R77-58394.

Tax Parcel Number: 08-04-101-019

Property Address: 2611 Corporate West Drive, Lisle, IL 60532

Exhibit A

EXHIBIT B

FORM OF ASSIGNMENT OF MEMBERSHIP INTERESTS

This Assignment of Membership Interests (this “Assignment”) is executed by iStar Net Lease Member I LLC, a Delaware limited liability company, whose address is c/o iStar Inc., 1114 Avenue of the Americas, 38th Floor, New York, New York 10036 (“Assignor”), in favor of Universal Technical Institute Ventures, LLC, a Delaware limited liability company (“Assignee”), as of February 11, 2022 (the “Effective Date”).

WHEREAS, Assignor owns 37.8147% of the outstanding limited liability company membership interests (the “iStar Member Interests”) in 2611 Corporate West Drive Venture LLC, a Delaware limited liability company (the “Property Owner”); and

WHEREAS, Assignor and Assignee are parties to that certain Purchase and Sale Contract, dated February 10, 2022 (the “Contract”) whereby Assignor has agreed to assign, and Assignee has agreed to assume the iStar Member Interests. Any capitalized term used, but not otherwise defined herein, shall have the meaning set forth in the Contract.

FOR VALUE RECEIVED, Assignor hereby (a) assigns, transfers and sets forth to Assignee, the iStar Member Interests, subject to the Entity Exceptions, (b) irrevocably constitutes and appoints Property Owner to transfer the iStar Member Interests in such manner on the books of the REIT with full power of substitution in the premises, and (c) without limiting the terms and provisions of the Contract with respect to the Excluded Property, directs that all future distributions, dividends and other payments on account of the iStar Member Interests to be paid to Assignee; provided, however, notwithstanding anything in this Assignment to the contrary, Assignor shall retain all rights of “Investor” pursuant to Section 9.5 and Section 9.7 of the Property Owner LLC Agreement to the extent relating to the 2021 and 2022 tax years, together with all rights to indemnification related thereto pursuant to Section 4.6(a) of the Property Owner LLC Agreement.

Assignors and Assignee each agree to execute and deliver such further instruments and do such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Assignment and as are not inconsistent with the terms hereof.

This Assignment may be executed in one or more counterparts, including by means of facsimile copy, or via electronic mail in a PDF document. Any such facsimile copy or PDF copy shall be deemed an original copy of this Assignment.

If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

This Assignment shall be governed by and interpreted in accordance with the laws of the State of Delaware.

This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Assignor’s liability hereunder shall be subject to all time, dollar and other limitations on Assignor’s liability set forth in the Contract.

WITH RESPECT TO ALL MATTERS SOLD, ASSIGNED, TRANSFERRED AND CONVEYED PURSUANT HERETO, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, EXCEPT FOR THE SELLER'S REPRESENTATIONS (ALL OF WHICH ARE SUBJECT TO ALL TIME, DOLLAR AND OTHER LIMITATIONS ON ASSIGNOR'S LIABILITY SET FORTH IN THE CONTRACT), SUCH MATTERS ARE HEREBY SOLD, ASSIGNED, TRANSFERRED AND CONVEYED TO ASSIGNEE ON AN "AS IS", "WHERE IS", "WITH ALL FAULTS" BASIS, WITHOUT ANY REPRESENTATION, WARRANTY, GUARANTY, PROMISE, PROJECTION OR PREDICTION WHATSOEVER WITH RESPECT TO SUCH MATTERS, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**[Remainder of Page Intentionally Left Blank;
Signature Page Follows]**

Exhibit C

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Membership Interests as of the day and year first written above.

Assignor:

iSTAR NET LEASE MEMBER I LLC ,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Assignee:

UNIVERSAL TECHNICAL INSTITUTE VENTURES, LLC ,
a Delaware limited liability company

By: Universal Technical Institute, Inc.
Its: Sole Member

By: _____
Name: Troy Anderson
Title: Vice President and Chief Financial Officer

EXHIBIT C

RESERVED

Exhibit C

EXHIBIT D

FORM OF FIRPTA CERTIFICATE

Transferor's Certification of Non-Foreign Status

To inform Universal Technical Institute Ventures, LLC, a Delaware limited liability company ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of an interest in certain real property to Transferee by iStar Net Lease Member I LLC, a Delaware limited liability company ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. Transferor's U.S. employer identification number is _____; and

3. Transferor's office address is: _____.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: _____, 2022.

iSTAR NET LEASE MEMBER I LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

MODIFICATION AGREEMENT

DATE : As of February 14, 2022

PARTIES : Borrower: **2611 CORPORATE WEST DRIVE VENTURE LLC** , a Delaware limited liability company.

Borrower 1114 Avenue of the Americas, 39th Floor
Address: New York, New York 10036

Lender: **WESTERN ALLIANCE BANK** , an Arizona corporation.

Lender One East Washington Street, 14th Floor
Address: Phoenix, Arizona 85004

RECITALS :

A. Lender has extended to Borrower a loan (“**Loan**”) in the original principal amount of \$24,000,000.00 pursuant to that certain Loan Agreement dated October 13, 2017 (“**Loan Agreement**”), and evidenced by that certain Secured Promissory Note dated October 13, 2017 (“**Note**”). The unpaid principal balance of the Loan as of February 2, 2022 was \$18,554,984.60.

B. The Loan is secured by, among other things, that certain Mortgage, Assignment of Rents and Lease, Security Agreement, and Fixture Filing dated October 13, 2017 (the “**Mortgage**”), by Borrower, as Grantor, for the benefit of Lender, as Lender, recorded on October 13, 2017, as Instrument No. R2017-106149, Official Records of DuPage County, Illinois (the agreements, documents, and instruments securing the Loan and the Note are referred to individually and collectively as the “**Security Documents**”).

C. The Note, the Loan Agreement, the Security Documents, any environmental indemnity agreement, and all other agreements, documents, and instruments evidencing, securing, or otherwise relating to the Loan are sometimes referred to individually and collectively as the “**Loan Documents**”.

D. In connection with the upcoming Sale Transaction (as defined below), Borrower has requested that Lender modify the Loan and the Loan Documents as provided herein. Lender is willing to so modify the Loan and the Loan Documents, subject to the terms and conditions of this Modification Agreement (the “**Agreement**”). Except as otherwise provided in this Agreement, all terms defined in the Loan Documents shall have the same meaning when used in this Agreement. Such defined terms are denoted in the Loan Documents and in this Agreement by initial capital letters.

AGREEMENT :

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

1. **ACCURACY OF RECITALS**.

Borrower acknowledges the accuracy of the Recitals.

2. **MODIFICATION OF LOAN DOCUMENTS.**

2.1 The Loan Documents are hereby modified as follows:

2.1.1 **Ownership Transfer** . Lender hereby consents to UTI Member's acquisition of all of the ownership interests in Borrower held by iStar Member via successive transfers and liquidations of indirect ownership interests (the "**Sale Transaction**"), subject to the execution and delivery of the UTI Corp Guaranty (as defined in Section 5.4.1 below) from Universal Technical Institute, Inc., a Delaware corporation ("UTI Corp"), which UTI Corp Guaranty shall be delivered concurrent with Borrower's execution and delivery of this Agreement to Lender. Upon consummation of the Sale Transaction, UTI Member will own 100% of the direct ownership interests in the Borrower.

2.1.2 **New Guarantor – UTI Corp** . The definition of "Guarantor" set forth in Section 1.1 of the Loan Agreement and all other references to the same in the Loan Documents are hereby deleted in their entirety and replaced with the following:

“ “Guarantor” shall mean Universal Technical Institute, Inc., a Delaware corporation.”

2.1.3 **Release of Existing Guarantor** . Subject to Lender's receipt of this Agreement and the UTI Corp Guaranty (hereinafter defined), Lender hereby releases iStar Net Lease I LLC, a Delaware limited liability company (the "**Released Guarantor**"), as a Guarantor (as defined in the Loan Documents). Released Guarantor is hereby released from all liability under the Loan and as a Guarantor and Indemnitor under all of the Loan Documents. Released Guarantor hereby fully, finally, and forever releases and discharges Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that Released Guarantor has now or in the future may have, whether known or unknown, in respect of the Loan, the Loan Documents, or the actions or omissions of Lender in respect of the Loan or the Loan Documents.

2.1.4 **UTI Corp Accreditation**. UTI Corp shall, at all times, during the term of the Loan, maintain its institutional accreditation status allowing it to operate as a post-secondary educational provider. UTI Corp's failure to comply with this requirement, which results in a materially adverse effect on the business, as determined by Lender in its good faith and reasonable discretion, shall constitute an immediate Event of Default under the Loan and the Loan Documents.

2.1.5 **Guarantor Financial Reporting** . **Section 5.6(b)** of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

“(b) Guarantor Financial Reporting.

(i) As soon as available, and in any event within thirty (30) days of filing with the United States Securities and Exchange Commission, Guarantor shall furnish to Lender a copy of (i) Guarantor's Form 10-K Annual Report, and (ii) each of Guarantor's Form 10-Q Quarterly Reports, and shall also provide Lender with such other information respecting the condition of Guarantor as Lender may from time to time reasonably request.

(ii) As soon as available, and in any event within thirty (30) days after each September 30, Guarantor shall furnish to Lender a copy of Guarantor's annual enrollment data for all campuses containing such information as Lender shall reasonably require."

2.1.6 Definition of Debt Service Coverage Ratio. The definition of "Debt Service Coverage Ratio" in **Section 1.1** of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"**Debt Service Coverage Ratio**" shall mean the number determined by Lender obtained by dividing (i) the EBITDAR of Borrower during the immediately preceding twelve (12) month period less preferred dividends during such period by (ii) the sum of Borrower's current portion of long term debt and rent expense and interest paid during the immediately preceding twelve (12) month period.

2.1.7 Financial Covenants - Debt Service Coverage Ratio. **Section 5.22** of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

"5.22 **Financial Covenants** .

(a) **Debt Service Coverage** . At all times during the term of the Loan, Borrower shall maintain a Debt Service Coverage Ratio of not less than 1.30 to 1.00 (" **Required DSCR** ").

(b) **Testing** . Lender shall first test Borrower's compliance with the Required DSCR as of June 30, 2022, and semi-annually thereafter as of each September 30 and March 30 (each a "**Test Date** "), based upon the financial statements of Borrower delivered to Lender pursuant to **Section 5.6** .

(c) **DSCR Cure** . In the event Borrower fails to maintain the Required DSCR as of any Test Date, upon demand from Lender, Borrower shall immediately do one of the following (as selected by Borrower): (i) reduce the unpaid principal balance of the Loan by an amount sufficient to cause the Project to be in compliance with the Required DSCR (the "**Remargining Amount** "), (ii) deposit the Remargining Amount with Lender, which amount shall be deposited by Lender into a Lender-controlled deposit account maintained at Lender and pledged to Lender as additional security for the Loan pursuant to a security agreement – pledge in form and substance satisfactory to Lender (the "**DSCR Deposit Account** "), or (iii) deliver an irrevocable evergreen standby letter of credit in form and substance and from a financial institution reasonably acceptable to Lender in an amount equal to the Remargining Amount. In the event Borrower elects to proceed under clause (ii) or (iii) above, provided no Event of Default is continuing, at such time as the Project is fully and completely in compliance with the Required DSCR for two (2) consecutive Test Dates, then at the end of such period (or upon repayment of the Loan in full) all funds held by Lender in the DSCR Deposit Account shall be released to Borrower and, if applicable, the standby letter of credit will be returned to Borrower."

2.1.8 **Reduction of Prepayment Penalty**. Paragraph 4(a) of the Note is hereby deleted in its entirety and replaced with the following:

“ (a) Borrower shall have the right to prepay the Loan, in whole or in part, at any time; provided, however, in the event Borrower prepays all or any portion of the outstanding principal balance of the Loan (the “ **Prepayment Amount** ”) either voluntarily or pursuant to the terms of the Loan Documents, including upon acceleration as a result of an Event of Default, but except as otherwise expressly set forth in the Loan Documents, Borrower shall pay a prepayment premium in addition to the Prepayment Amount equal to the product of (a) the Prepayment Amount times (b) the Prepayment Factor. As used herein, the “ **Prepayment Factor** ” shall mean:

(i) from and after the date hereof, continuing until October 13, 2026, one-quarter of one percent (0.25%); and

(ii) from and after October 13, 2026, through and until the Maturity Date, zero percent (0%).

Any partial prepayment shall be applied to installments coming due under the Note in inverse order of maturity. If Borrower prepays the Loan in full, together with such prepayment Borrower shall pay all accrued unpaid interest on the principal amount prepaid.”

2.2 Each of the Loan Documents is modified to provide that it shall be a default or an event of default thereunder if Borrower shall fail to comply with any of the covenants of Borrower herein or if any representation or warranty by Borrower herein is materially incomplete, incorrect, or misleading as of the date hereof.

2.3 Each reference in the Loan Documents to any of the Loan Documents shall be a reference to such document as modified herein.

3. **RATIFICATION OF LOAN DOCUMENTS AND COLLATERAL**.

The Loan Documents are ratified and affirmed by Borrower and shall remain in full force and effect as modified herein. Any property or rights to or interests in property granted as security in the Loan Documents shall remain as security for the Loan and the obligations of Borrower in the Loan Documents.

4. **BORROWER REPRESENTATIONS AND WARRANTIES**.

Borrower represents and warrants to Lender:

4.1 No default or event of default under any of the Loan Documents as modified herein, nor, to Borrower’s knowledge, any event, that, with the giving of notice or the passage of time or both, would be a default or an event of default under the Loan Documents as modified herein has occurred and is continuing.

4.2 There has been no material adverse change in the financial condition of Borrower or any other person whose financial statement has been delivered to Lender in connection with the Loan from the most recent financial statement received by Lender.

4.3 Each and all representations and warranties of Borrower in the Loan Documents are accurate, in all material respects, on the date hereof.

4.4 Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

4.5 The Loan Documents as modified herein are the legal, valid, and binding obligation of Borrower, enforceable against Borrower in accordance with their terms.

4.6 Borrower is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Agreement and to perform the Loan Documents as modified herein. The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Agreement has been duly executed and delivered on behalf of Borrower.

5. **BORROWER COVENANTS**.

Borrower covenants with Lender:

5.1 Borrower shall execute, deliver, and provide to Lender such additional agreements, documents, and instruments as reasonably required by Lender to effectuate the intent of this Agreement.

5.2 Borrower fully, finally, and forever releases and discharges Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that Borrower has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Lender in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Agreement.

5.3 Contemporaneously with the execution and delivery of this Agreement, Borrower has paid to Lender:

5.3.1 All principal and accrued and unpaid interest now due and payable under the Note and all amounts, other than interest and principal, now due and payable by Borrower under the Loan Documents as of the date hereof.

5.3.2 All of the internal and external costs and expenses incurred by Lender in connection with this Agreement (including, without limitation, inside and outside attorneys, appraisal, appraisal review, processing, title, filing, and recording costs, expenses, and fees).

5.4 Contemporaneously with the execution and delivery of this Agreement, Borrower has caused to be delivered to Lender the following:

5.4.1 A repayment guaranty, in form and substance satisfactory to Lender, executed by UTI Corp (“**UTI Corp Guaranty**”);

5.4.2 An opinion letter together with such authorizing resolutions as Lender may require; and

5.4.3 Such other documents as Lender may reasonably require.

6. **EXECUTION AND DELIVERY OF AGREEMENT BY LENDER**.

Lender shall not be bound by this Agreement until each of the following shall have occurred: (i) Lender has executed and delivered this Agreement, (ii) Borrower has performed all of the obligations of Borrower under this Agreement to be performed contemporaneously with the

execution and delivery of this Agreement, and (iii) each Guarantor of the Loan has executed and delivered to Lender a Consent and Agreement of Guarantor(s).

7. **ENTIRE AGREEMENT, CHANGE, DISCHARGE, TERMINATION, OR WAIVER.**

The Loan Documents as modified herein contain the entire understanding and agreement of Borrower and Lender in respect of the Loan and supersede all prior representations, warranties, agreements, arrangements, and understandings. No provision of the Loan Documents as modified herein may be changed, discharged, supplemented, terminated, or waived except in a writing signed by Lender and Borrower.

8. **BINDING EFFECT.**

The Loan Documents as modified herein shall be binding upon, and inure to the benefit of, Borrower and Lender and their respective successors and assigns.

9. **GOVERNING LAW; JURISDICTION.**

9.1 THIS AGREEMENT HAS BEEN DELIVERED IN ARIZONA, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

9.2 Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any affiliate of the Lender in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Loan Party or its properties in the courts of any jurisdiction.

10. **JURY WAIVER.**

BORROWER AND LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG BORROWER AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO CONTINUE TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

11. **COUNTERPART EXECUTION.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

[**Signature Page Follows**]

DATED as of the date first above stated.

2611 CORPORATE WEST DRIVE VENTURE LLC , a Delaware limited liability company

By: Universal Technical Institute Ventures, LLC, a Delaware limited liability company
Its: Sole Member

By: Universal Technical Institute, Inc., a Delaware corporation
Its: Manager

By: _____
Name: Troy Anderson
Title: Executive Vice President and Chief Financial Officer
"BORROWER"

WESTERN ALLIANCE BANK , an Arizona corporation

By: _____
Ericka LeMaster
Senior Vice President
"LENDER"

Acknowledged and agreed to by Released Guarantor:

ISTAR NET LEASE I LLC , a Delaware limited liability company

By: iStar Net Lease Manager I LLC, a Delaware limited liability company, its Manager

By: _____
Catherine E. Tenney
Senior Vice President

Signature Page to Modification Agreement

CONSENT AND AGREEMENT OF GUARANTORS

With respect to the Modification Agreement dated as of February 14, 2022 (“ **Agreement** ”), between **2611 CORPORATE WEST DRIVE VENTURE LLC** , a Delaware limited liability company (“ **Borrower** ”), and **WESTERN ALLIANCE BANK** , an Arizona corporation (“ **Lender** ”), the undersigned (“ **Guarantor** ”) agree for the benefit of Lender as follows:

1. Guarantor acknowledges (i) receiving a copy of and reading the Agreement, (ii) the accuracy of the Recitals in the Agreement, and (iii) the effectiveness of (A) that certain Repayment Guaranty dated as of February 14, 2022 (the “ **Guaranty** ”), by the undersigned for the benefit of Lender, as modified herein, (B) that certain Environmental Indemnity Agreement dated as of October 13, 2017 (the “ **Environmental Indemnity** ”), the obligations of which are being assumed by the undersigned for the benefit of Lender in accordance herewith, and (C) any other agreements, documents, or instruments securing or otherwise relating to the Guaranty or Environmental Indemnity, as modified herein. The Guaranty, Environmental Indemnity and such other agreements, documents, and instruments, as modified herein, are referred to individually and collectively as the “ **Guarantor Documents** ”. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Agreement.

2. Guarantor consents to the modification of the Loan Documents and all other matters in the Agreement.

3. Guarantor fully, finally, and forever releases and discharges Lender and its successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits of whatever kind or nature, in law or equity, that Guarantor has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, the Guarantor Documents, or the actions or omissions of Lender in respect of the Loan, the Loan Documents, or the Guarantor Documents and (ii) arising from events occurring prior to the date hereof.

4. Guarantor agrees that all references, if any, to the Note, the Loan Agreement, the Mortgage, the Security Documents, and the Loan Documents in the Guarantor Documents shall be deemed to refer to such agreements, documents, and instruments as modified by the Agreement.

5. Guarantor reaffirms the Guarantor Documents and agrees that the Guarantor Documents continue in full force and effect and remain unchanged, except as specifically modified by this Consent and Agreement of Guarantors. Any property or rights to or interests in property granted as security in the Guarantor Documents shall remain as security for the Guaranty and the obligations of Guarantor in the Guaranty.

6. Guarantor is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Consent and Agreement of Guarantors and to perform the Guarantor Documents as modified herein. The execution and delivery of this Consent and Agreement of Guarantors and the performance of the Guarantor Documents as modified herein have been duly authorized by all requisite action by or on behalf of Guarantor. This Consent and Agreement of Guarantors has been duly executed and delivered on behalf of Guarantor.

7. Guarantor represents and warrants that the Loan Documents, as modified by the Agreement, and the Guarantor Documents, as modified by this Consent and Agreement of Guarantors, are the legal, valid, and binding obligations of Borrower and the undersigned,

respectively, enforceable in accordance with their terms against Borrower and the undersigned, respectively.

8. Guarantor represents and warrants that Guarantor has no claims, counterclaims, defenses, or off sets with respect to the enforcement against Guarantor of the Guarantor Documents.

9. Guarantor represents and warrants that there has been no material adverse change in the financial condition of any Guarantor from the most recent financial statement received by Lender.

10. By its signature below, the undersigned hereby (i) acknowledges receiving a copy of and reading the Environmental Indemnity, and (ii) covenants, promises, and agrees that it shall perform each and all covenants, agreements, and obligations of the "Indemnitor" under the Environmental Indemnity, as though the Environmental Indemnity had originally been made, executed and delivered by the undersigned.

11. Guarantor hereby reaffirms the Environmental Indemnity and agrees that the Environmental Indemnity Agreement shall continue in full force and effect and remain unchanged, except as specifically modified herein.

12. GOVERNING LAW; JURISDICTION.

(1) THIS CONSENT AND AGREEMENT OF GUARANTORS HAS BEEN DELIVERED IN ARIZONA, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

(2) Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any affiliate of the Lender in any way relating to this Consent and Agreement of Guarantors or any Guarantor Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and Guarantor irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable law, in such federal court. Guarantor agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Consent and Agreement of Guarantors or in any Guarantor Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Consent and Agreement of Guarantors or any Guarantor Document against the Guarantor or any other Loan Party or its properties in the courts of any jurisdiction.

13. JURY WAIVER.

GUARANTOR AND, BY ITS ACCEPTANCE OF THIS CONSENT AND AGREEMENT OF GUARANTORS, LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG GUARANTOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO

THIS CONSENT AND AGREEMENT OF GUARANTORS OR ANY OTHER RELATED DOCUMENT OR GUARANTOR DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO CONTINUE TO PROVIDE THE FINANCING DESCRIBED IN THE AGREEMENT OR IN THE OTHER LOAN DOCUMENTS.

14. Guarantor agrees that this Consent and Agreement of Guarantors may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Consent and Agreement of Guarantors to physically form one document.

[**Signature Page Follows**]

DATED as of the date of the Agreement.

UNIVERSAL TECHNICAL INSTITUTE, INC. , a Delaware corporation

By: ___

Name: Troy Anderson

Title: Executive Vice President and Chief Financial Officer

“GUARANTOR”

REPAYMENT GUARANTY

THIS REPAYMENT GUARANTY (the “**Guaranty**”) is made as of February 14, 2022, by **UNIVERSAL TECHNICAL INSTITUTE, INC.**, a Delaware corporation (“**Guarantor**”), whose address is set forth in **Section 9** hereof, in favor of **WESTERN ALLIANCE BANK**, an Arizona corporation (“**Lender**”), whose address is One East Washington Street, 14th Floor, Phoenix, Arizona 85004.

Section 1 Except as otherwise provided in this Guaranty, all terms defined in that certain Loan Agreement dated October 13, 2017, by and between **2611 CORPORATE WEST DRIVE VENTURE LLC**, a Delaware limited liability company (“**Borrower**”), and Lender, as amended concurrently herewith pursuant to the terms of that certain Modification Agreement (“**Modification**”) of even date herewith (collectively and as it may be further amended, modified, extended, restated in whole or in part, and renewed from time to time, the “**Loan Agreement**”) shall have the same meaning when used in this Guaranty. Such defined terms are denoted in the Loan Agreement and in this Guaranty by initial capital letters.

Section 2 In order to induce Lender to enter into the Modification and to continue to loan to Borrower the sum of \$24,000,000.00 (the “**Loan**”), evidenced by that certain Secured Promissory Note dated October 13, 2017 (as it may be amended, modified, extended, restated in whole or in part, and renewed from time to time) (the “**Note**”) executed by Borrower and payable to the order of Lender, Guarantor hereby unconditionally and irrevocably, jointly and severally, guarantees to Lender and to its successors, endorsees and/or assigns, the full and prompt payment of the principal sum of the Note in accordance with its terms when due, by acceleration or otherwise, together with all interest accrued thereon, the full and prompt payment of all other sums, together with all interest accrued thereon, when due under the terms of the Note, the Loan Agreement and in any deed of trust, security agreement, lease assignment and other assignment or agreement referred to in the Loan Agreement and/or now or hereafter securing the Note or setting forth obligations of Borrower in connection with the Loan (which documents, together with the Note and the Loan Agreement, are collectively referred to herein as the “**Loan Documents**”). The obligations guaranteed pursuant to this **Section 2** are hereinafter referred to as the “**Guaranteed Obligations**”.

Section 3 Guarantor agrees, represents and warrants to Lender as follows:

(a) Guarantor shall continue to be liable under this Guaranty and the provisions hereof shall remain in full force and effect notwithstanding (i) any modification, agreement or stipulation between Borrower and Lender, or their respective successors and assigns, with respect to the Loan Documents or the obligations encompassed thereby, including, without limitation, the Guaranteed Obligations; (ii) Lender’s waiver of or failure to enforce any of the terms, covenants or conditions contained in the Loan Documents or in any modification thereof, including, without limitation, the Deed of Trust; (iii) any release of Borrower or any other guarantor from any liability with respect to the Guaranteed Obligations; or (iv) any release or subordination of any real or personal property then held by Lender as security for the performance of the Guaranteed Obligations.

(b) Guarantor’s liability under this Guaranty shall continue until all sums due under the Note have been paid in full and until all Guaranteed Obligations of Borrower to Lender have been satisfied, and shall not be reduced by virtue of any payment by Borrower of any amount due under the Note or under any of the Loan Documents or by Lender’s recourse to any collateral or security. Guarantor acknowledges that Lender may apply any payment made by Borrower to Lender to any obligation of Borrower to Lender under the terms of any Loan Document in such amounts and such manner as Lender may elect, regardless of whether such

application complies with any instruction or designation given or made by Borrower with respect to such payment and agrees that any such application shall not in any manner reduce, extinguish or otherwise affect the liability of the Guarantor hereunder.

(c) Guarantor has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the Loan Documents or referred to therein, the value of the assets owned or to be acquired by Borrower, Borrower's financial status and its ability to pay and perform the Guaranteed Obligations owed to Lender. Guarantor further warrants and represents that it has reviewed and approved copies of the Loan Documents and is fully informed of the remedies Lender may pursue, with or without notice to Borrower, in the event of default under the Note or other Loan Documents. So long as any of the Guaranteed Obligations remains unsatisfied or owing to Lender, Guarantor shall keep itself fully informed as to all aspects of Borrower's financial condition and the performance of the Guaranteed Obligations.

Section 4 The liability of Guarantor under this Guaranty is a guaranty of payment and not of collectability, and is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of the Loan Documents or other instruments relating to the creation or performance of the Guaranteed Obligations or the pursuit by Lender of any remedies which it now has or may hereafter have with respect thereto under the Loan Documents, at law, in equity or otherwise.

Section 5 Guarantor hereby fully and completely waives, releases and relinquishes: (i) all notices to Guarantor, to Borrower, or to any other person, including, but not limited to, notices of the acceptance of this Guaranty or the creation, renewal, extension, modification or accrual of any of the Guaranteed Obligations owed to Lender and, except to the extent set forth in **Section 7** hereof, enforcement of any right or remedy with respect thereto, and notice of any other matters relating thereto; (ii) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (iii) any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof; (iv) defenses and claims based on principles of suretyship and/or guaranty; (v) any and all benefits under Arizona Revised Statutes Sections 12-1641 through 12-1646 and any requirement to join the Borrower in a suit against the Guarantor (including by reason of the application of Rule 17(e) of the Arizona Rules of Civil Procedure); (vi) any and all rights or defenses based on impairment of collateral; (vii) any rights or defenses arising by reason of any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (viii) any and all benefits under Arizona Revised Statutes Section 33-814(G) and Section 33-729; and (ix) any defenses given to guarantors at law or in equity other than actual payment and performance of the Guaranteed Obligations. Notwithstanding any foreclosure of the lien of any deed of trust or security agreement with respect to any or all of any real or personal property secured thereby, whether by the exercise of the power of sale contained therein, by an action for judicial foreclosure or by an acceptance of a deed in lieu of foreclosure, Guarantor shall remain bound under this Guaranty. Guarantor further agrees that Lender may enforce this Guaranty upon the occurrence and during the continuation of an Event of Default under the Note or the Loan Documents (as Event of Default is defined therein), notwithstanding the existence of any dispute between Borrower and Lender with respect to the existence of the default or performance of the Guaranteed Obligations or any counterclaim, set-off or other claim which Borrower may allege against Lender with respect thereto. Moreover, Guarantor agrees that its obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

Section 6 Guarantor agrees that Lender may enforce this Guaranty without the necessity of resorting to or exhausting any security or collateral and without the necessity of

proceeding against Borrower or any other guarantor, including without limitation, any other Guarantor named herein. Guarantor hereby waives the right to require Lender to proceed against Borrower, to proceed against any other guarantor, including without limitation any other Guarantor named herein, to foreclose any lien on any real or personal property, to exercise any right or remedy under the Loan Documents, to pursue any other remedy or to enforce any other right.

Section 7

(a) Guarantor agrees that nothing contained herein shall prevent Lender from suing on the Note or from exercising any rights available to it thereunder or under any of the Loan Documents and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantor. Guarantor understands that the exercise by Lender of certain rights and remedies contained in the Loan Documents may affect or eliminate Guarantor's right of subrogation against Borrower or any other guarantor and that Guarantor may therefore incur a partially or totally non-reimbursable liability hereunder. Nevertheless, Guarantor hereby authorizes and empowers Lender to exercise, in its sole discretion, any rights and remedies, or any combination thereof, which may then be available to Lender, since it is the intent and purpose of Guarantor that the obligations hereunder shall be absolute, independent and unconditional under any and all circumstances.

(b) Guarantor hereby waives, releases, and relinquishes any and all rights of reimbursement, contribution, and subrogation, which Guarantor may now or hereafter have against Borrower. Guarantor further agrees that, to the extent the waiver of its rights of subrogation as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against Borrower or against any collateral or security shall be junior and subordinate to any right Lender may have against Borrower and to all right, title and interest Lender may have in any collateral or security. Lender may, in accordance with applicable laws, use, sell or dispose of any item of collateral or security as it sees fit without regard to any subrogation right Guarantor may have, and upon disposition or sale, any right of subrogation Guarantor may have shall terminate. With respect to the enforced collection of the Guaranteed Obligations or the foreclosure of any security interest in any personal property collateral then securing the Guaranteed Obligations, Lender agrees to give Guarantor five (5) days' prior written notice, in the manner set forth in **Section 9** hereof, of any sale or disposition of any such personal property collateral, other than collateral which is perishable, threatens to decline speedily in value, is of a type customarily sold on a recognized market, or is cash, cash equivalents, certificates of deposit or the like.

(c) Guarantor's sole right with respect to any such foreclosure of real or personal property collateral shall be to bid at such sale in accordance with applicable law. Guarantor acknowledges and agrees that Lender may also bid at any such sale and in the event such collateral is sold to Lender in whole or in partial satisfaction of the Guaranteed Obligations, Guarantor shall have no further right or interest with respect thereto. Notwithstanding anything to the contrary contained herein, no provision of this Guaranty shall be deemed to limit, decrease, or in any way to diminish any rights of set-off Lender may have with respect to any cash, cash equivalents, certificates of deposit or the like which may now or hereafter be put on deposit with Lender by Borrower.

(d) To the extent any dispute exists at any time between or among any of the guarantors as to Guarantor's right to contribution or otherwise, Guarantor agrees to indemnify, defend and hold Lender harmless for, from and against any loss, damage, claim, demand, cost or any other liability (including reasonable attorneys' fees and costs) Lender may suffer as a result of such dispute.

(e) If from time to time Borrower shall have liabilities or obligations to Guarantor, such liabilities and obligations and any and all assignments as security, grants in trust, liens, mortgages, security interests, other encumbrances, and other interests and rights securing such liabilities and obligations shall at all times be fully subordinate with respect to (i) assignment as security, grant in trust, lien, mortgage, security interest, other encumbrance, and other interest and right (if any), (ii) time and right of payment and performance, and (iii) rights against any collateral therefor (if any), to payment and performance in full of the Guaranteed Obligations and the right of Lender to realize upon any or all security for such obligations. Guarantor agrees that such liabilities and obligations of Borrower to Guarantor shall not be secured by any assignment as security, grant in trust, lien, mortgage, security interest, other encumbrance or other interest or right in any property, interests in property, or rights to property of Borrower and that Borrower shall not pay, and Guarantor shall not receive, payments of any or all liabilities or obligations of Borrower to Guarantor until after payment and performance of the Guaranteed Obligations in full. If, notwithstanding the foregoing, Guarantor receives any payment from Borrower, such payment shall be held in trust by Guarantor for the benefit of Lender, shall be segregated from the other funds of Guarantor, and shall forthwith be paid by Guarantor to Lender and applied to payment of the Guaranteed Obligations, whether or not then due. To secure the Guaranteed Obligations, Guarantor grants to Lender a lien and security interest in all liabilities and obligations of Borrower to Guarantor, in any assignments as security, grants in trust, liens, mortgages, security interests, other encumbrances, other interests or rights securing such liabilities and obligations, and in all of Guarantor's right, title, and interest in and to any payments, property, interests in property, or rights to property acquired or received by Guarantor from Borrower in respect of any liabilities or obligations of Borrower to Guarantor.

(f) Guarantor agrees to indemnify and hold Lender harmless for, from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs, and expenses, including legal fees and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with any default by Borrower under any Tenant Lease. Guarantor's obligations under the foregoing indemnification shall survive the enforcement of the Deed of Trust, whether by court action or pursuant to the power of sale or other rights contained in the Deed of Trust.

Section 8

(a) As an inducement to Lender to disburse the proceeds of the Loan to Borrower, Guarantor represents and warrants to Lender that the following statements are true, correct and complete as of the date hereof and will be true, correct and complete as of the Closing Date.

(i) Guarantor is a corporation, duly organized and validly existing under the laws of the State of Delaware. Guarantor's correct legal name is "Universal Technical Institute, Inc.". Guarantor has all requisite power and authority, rights and franchises to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform this Guaranty and the other Loan Documents to which Guarantor is a party (the "**Guarantor Documents**").

(ii) Guarantor has made all filings and is in good standing in the State of Delaware and has made all filings as a foreign corporation and is in good standing in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a materially adverse effect on the business, operations, assets or condition of Guarantor.

(iii) The execution, delivery and performance of the Guarantor Documents by Guarantor are within Guarantor's power and authority and have been duly authorized by all necessary action by Guarantor.

(iv) The execution, delivery and performance of the Guarantor Documents by Guarantor will not violate (i) Guarantor's certificate of formation, bylaws, or any other formation document, as applicable; (ii) any legal requirement affecting Guarantor or any of its property; or (iii) any agreement to which Guarantor is a party or by which it or any of its property is bound and will not result in or require the creation of any lien upon any of its property.

(v) No approvals, authorizations or consents of any trustee or holder of any indebtedness or obligation of Guarantor are required for the due execution, delivery and performance by Guarantor of the Guarantor Documents.

(vi) This Guaranty and the other Guarantor Documents have been duly executed by Guarantor, and are legally valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(vii) There exists no material violation of or material default by Guarantor and, to the best knowledge of Guarantor, no event has occurred which, upon the giving of notice or the passage of time, or both, would constitute a material default with respect to (a) the terms of any instrument evidencing or securing any indebtedness of Guarantor, (b) any lease or other agreement affecting the Project, (c) any license, permit, statute, ordinance, law, judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority, or any determination or award of any arbitrator to which Guarantor or the Project may be bound, or (d) any mortgage, instrument, agreement or document by which Guarantor, or any of its properties is bound.

(viii) There is no action, suit, investigation, proceeding or arbitration (whether or not purportedly on behalf of Guarantor) at law or in equity or before or by any foreign or domestic court or other governmental entity (a "Legal Action"), pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor or any of its assets which could reasonably be expected to result in any material adverse change in the business, operations, assets (including the Project) or condition (financial or otherwise) of Guarantor or would materially and adversely affect Guarantor's ability to perform its obligations under the Guarantor Documents. There is no basis known to Guarantor for any such action, suit or proceeding. Guarantor is not (a) in violation of any applicable law which violation materially and adversely affects or may materially and adversely affect its business, operations, assets (including the Project) or condition (financial or otherwise), (b) subject to, or in default with respect to, any other legal requirement that would have a materially adverse effect on its business, operations, assets (including the Project) or condition (financial or otherwise), or (c) in default with respect to any agreement to which it is a party or by which it is bound. There is no Legal Action pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor questioning the validity or the enforceability of this Guaranty or any of the other Guarantor Documents.

(ix) Guarantor has good, sufficient and legal title to all properties and assets reflected in its most recent balance sheet delivered to Lender, except for assets disposed of in the ordinary course of business since the date of such balance sheet.

(x) There is no fact known to Guarantor that materially and adversely affects the business, operations, assets or condition (financial or otherwise) of Guarantor which has not been disclosed in this Guaranty or in other documents, certificates and written statements furnished to Lender in connection herewith.

(xi) All tax returns, extension filings, and reports of Guarantor required to be filed by it have been timely filed, and all taxes, assessments, fees and other governmental charges upon Guarantor or upon its properties, assets, income and franchises which are due and payable have been paid when due and payable. Guarantor does not know of any proposed tax assessment against it or its property (including the Project) that would be material to its condition (financial or otherwise), and Guarantor has not contracted with any government entity in connection with such taxes.

(xii) The financial statements and all financial data previously delivered to Lender in connection with the Loan and/or relating to Guarantor are true, correct and complete in all material respects. Such financial statements fairly present the financial position of the subject thereof as of the date thereof. No material adverse change has occurred in such financial position and, except for this Loan, no borrowings have been made by Guarantor since the date thereof which are secured by, or might give rise to, a lien or claim against the Project or the proceeds of this Loan.

(b) Guarantor covenants and agrees to provide to Lender the financial statements and tax returns Borrower is required to deliver or cause to be delivered pursuant to the Loan Agreement with respect to Guarantor.

(c) The assets belonging to Borrower and Guarantor that are reflected on the most recent financial statement(s) and loan application delivered to Lender have not been transferred into an asset protection trust or an irrevocable trust.

(d) Guarantor will not transfer any assets into an asset protection trust or an irrevocable trust while any indebtedness is owing to Lender, without Lender's prior written consent.

Section 9 All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be delivered by hand, or sent by registered or certified mail, postage prepaid, through the United States Postal Service to the addresses shown below or such other addresses which the parties may provide to one another in accordance herewith. Such notices, requests and demands, if sent by mail, shall be deemed given two (2) days after deposit in the United States mail, and if delivered by hand shall be deemed given when delivered.

To Guarantor: Universal Technical Institute, Inc.
4225 E. Windrose Drive, Suite 200
Phoenix, Arizona 85032

To Lender: Western Alliance Bank
One East Washington Street, 14th Floor
Phoenix, Arizona 85004
Attention: Ericka LeMaster

Section 10 This Guaranty shall be binding upon Guarantor, its successors and assigns and shall inure to the benefit of and shall be enforceable by Lender, its successors, endorsees and assigns. Any married person executing this Guaranty agrees that recourse may be had against community assets and against his or her separate property for the satisfaction of all obligations herein guaranteed. The obligations and liabilities of Guarantor under this Guaranty shall be

joint, several, and joint and several. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 11 If any or all of the Guaranteed Obligations are not paid when due, Guarantor agrees to pay all costs of enforcement and collection and preparation therefore (including, without limitation, reasonable attorneys' fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)).

Section 12 GOVERNING LAW; JURISDICTION.

(a) THIS GUARANTY HAS BEEN DELIVERED IN ARIZONA, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

(b) Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any affiliate of the Lender in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Guaranty or any other Loan Document against the Guarantor or any other Loan Party or its properties in the courts of any jurisdiction.

Section 13 Intentionally Omitted.

Section 14 This Guaranty is solely for the benefit of Lender, its successors, endorsees and assigns, and is not intended to nor shall it be deemed to be for the benefit of any third party, including Borrower.

Section 15 This Guaranty may be executed in counterparts, all of which executed counterparts shall together constitute a single document.

Section 16 If any provision of this Guaranty is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect.

Section 17 GUARANTOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG GUARANTOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS GUARANTY OR ANY OTHER RELATED DOCUMENT OR LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

Section 18 Guarantor Financial Reporting.

(a) As soon as available, and in any event within thirty (30) days of filing with the United States Securities and Exchange Commission, Guarantor shall furnish to Lender a copy of (i) Guarantor's Form 10-K Annual Report, and (ii) each of Guarantor's Form 10-Q Quarterly Reports, and shall also provide Lender with such other information respecting the condition of Guarantor as Lender may from time to time reasonably request.

(b) As soon as available, and in any event within thirty (30) days after each September 30, Guarantor shall furnish to Lender a copy of Guarantor's annual enrollment data for all campuses containing such information as Lender shall reasonably require.

[**Signature Page Follows**]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

UNIVERSAL TECHNICAL INSTITUTE, INC. , a Delaware corporation

By: _____

Name: Troy Anderson

Title: Executive Vice President and Chief Financial Officer

“GUARANTOR”

Signature Page to Repayment Guaranty

LOAN AGREEMENT

Dated: As of April 14, 2022

2611 CORPORATE WEST DRIVE VENTURE LLC

(“ **Borrower** ”)

and

VALLEY NATIONAL BANK

(“ **Lender** ”)

\$38,000,000.00 TERM LOAN

SECURED BY THE PROPERTY LOCATED AT:

2611 Corporate West Drive
Lisle, Illinois 60532

Prepared by :

Courtney E. Mayster, Esq.
Much Shelist, P.C.
191 North Wacker Drive, Suite 1800
Chicago, Illinois 60606

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Exhibits

- Exhibit A - Description of Property
- Exhibit B - Ownership Interests
- Exhibit C - Authorized Representatives

LOAN AGREEMENT

This **LOAN AGREEMENT** (this “**Agreement**”) is made and entered into as of April 14, 2022 (the “**Effective Date**”), by and between **2611 CORPORATE WEST DRIVE VENTURE LLC**, a Delaware limited liability company, having an address at 4225 East Windrose Drive, Suite 200, Phoenix, Arizona 85032 (the “**Borrower**”), and **VALLEY NATIONAL BANK**, a national banking association, having an address at 1455 Valley Road, Wayne, New Jersey 07470 (“**Lender**”).

RECITALS :

WHEREAS, Borrower desires to obtain the Loan (as hereinafter defined) from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms of this Agreement and the other Loan Documents (as hereinafter defined).

NOW, THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent and warrant as follows:

ARTICLE I General Terms

Section 1.1 **Definitions**. For all purposes of this Agreement, except as otherwise expressly required or unless the context clearly indicates a contrary intent:

“**Accessibility Laws**” means the Americans with Disabilities Act of 1990 (the “**ADA**”), the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, and all other Legal Requirements related to handicapped and accessibility access.

“**Accountants**” means a firm of certified public accountants selected by Borrower and approved by Lender.

“**Additional Interest**” shall mean Interest Rate Protection Obligations pursuant to any Interest Rate Protection Product provided by Lender or any Affiliate of Lender.

“**Adjusted EBITDA**” means the sum of consolidated income (loss) for the year, to the extent deducted in determining income for such period, before income taxes, interest expense, amortization, depreciation and other non-cash charges including net stock-based compensation, fees and expenses related to potential acquisitions and expansion of operations and certain non-recurring charges, including relating to restructuring, business optimization and diversification strategy, less any extraordinary non-recurring gains, interest income and non-cash gains.

“**Affiliate(s)**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agreement**” shall have the meaning ascribed to such term in the Preamble.

“**Alterations**” means any demolition, alteration, installation, improvement, expansion or other physical change to all or any portion of the Property and/or Improvements.

“**Alternate Rate**” shall have the meaning ascribed to such term in **Section 3.5**.

“**Anti-Corruption Laws**” means, with respect to any Person, any Legal Requirement of any jurisdiction concerning or relating to bribery or corruption that is applicable to such Person, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

“ **Anti-Terrorism Laws** ” shall have the meaning ascribed to such term in **Section 9.10** .

“ **Applicable Margin** ” means 2.00% .

“ **Appraisal** ” means an appraisal of the Property prepared by an Appraiser, which appraisal must be prepared in accordance with the Uniform Standards of Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation, and which must be satisfactory to Lender in all respects.

“ **Appraiser** ” means a “state certified general appraiser” as such term is defined and construed under applicable regulations and guidelines issued pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which appraiser must have been licensed and certified by the applicable Governmental Authority having jurisdiction in the State where the Property is located, and which appraiser shall have been approved by Lender, or which appraiser, at Lender’s sole judgment and discretion, shall be an employee of Lender.

“ **Approved Lease(s)** ” mean any Lease or any modification, amendment or renewal of any Lease which is entered into in accordance with the requirements of **Section 5.8** .

“ **Authorized Representatives** ” means the persons, officers, signatories or agents listed on **Exhibit C** .

“ **Bankruptcy Laws** ” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States, of any state, or other applicable jurisdictions from time to time in effect.

“ **Beneficial Ownership Certification** ” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“ **Beneficial Ownership Regulation** ” means 31 C.F.R. §1010.230.

“ **Borrower** ” shall have the meaning ascribed to such term in the Preamble.

“ **Business Day** ” means any day that is not a Saturday, Sunday or other day on which commercial banks in Chicago or New York City are authorized or required by law to remain closed.

“ **Casualty** ” means any damage or destruction to the Property by reason of fire or other hazard or casualty.

“ **Change in Law** ” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all request, rules guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision or any successor or similar authority or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“ **Charges** ” shall have the meaning ascribed to such term in **Section 3.3(d)** .

“ **Code** ” means the Internal Revenue Code of 1986, as amended.

“ **Collateral Accounts** ” has the meaning set forth in **Section 8.2** .

“ **Condemnation** ” means any taking of all or any portion of the Property by eminent domain, alteration of the grade of any street, or other injury to or decrease in the value of the Property, by reason of any public or quasi-public improvement or condemnation proceeding, or in any other similar manner.

“ **Connection Income Taxes** ” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“ **Consultant** ” means any engineers, architects, builders or other construction specialists, environmental advisors, scientists, accountants, attorneys and other advisors to consult with, counsel, defend or otherwise act as an advisor to Lender in connection with the Loan.

“ **Control** ” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “ **Controlling** ” and “ **Controlled** ” have meanings correlative thereto.

“ **Debt Service** ” means, as of any DSCR Determination Date, actual annual debt service due under the Loan (taking into account the effect of any Interest Rate Protection Product), annualized as necessary until a full 12 months has passed.

“ **Debt Service Coverage Ratio** ” means, as of any DSCR Determination Date, the ratio of NOI as of such DSCR Determination Date to Debt Service as of such DSCR Determination Date.

“ **Default Rate** ” means the annual rate of interest that shall apply under this Agreement after the occurrence of an Event of Default, or if no Event of Default has occurred, after the Maturity Date, which interest rate shall always be the Interest Rate plus 5% (but in no event greater than the maximum amount allowed by law) and shall accrue on the principal amount of the Loan and on any disbursement made by the Lender to protect itself under the terms of this Agreement or the Mortgage.

“ **Disqualified Transferee** ” means any Person who (i) is on any U.S. Office of Foreign Asset Control or similar list, (ii) would, after giving effect to any transfer, cause Lender, Borrower or the Loan to be in violation of the USA Patriot Act of 2001, 31 U.S.C. Section 5318, or any similar law, rule or regulation imposed by any Governmental Authority, (iii) has provided insufficient information to Lender as to satisfy Lender’s then standard “know your customer” requirements, or (iv) has failed to cause Borrower to provide to Lender, at least five (5) days prior to the transfer date, an updated Beneficial Ownership Certification for Borrower, if the same is required to be provided as a result of such transfer pursuant to the Beneficial Ownership Regulation.

“ **Distribution** ” means, with respect to any Person, the payment of any money, distribution of any property (in any form), or any loans, fees, advances or commissions, in any capacity, made, to such Person’s Related Parties.

“ **Dollars** ” means lawful money of the United States.

“ **DSCR Account** ” shall have the meaning set forth in **Section 5.6** .

“ **DSCR Determination Date** ” means each June 30, September 30, December 31 and March 31 commencing on the first such date occurring after the Effective Date.

“ **Environmental Indemnity** ” means that certain Environmental Indemnification Agreement dated of even date herewith made by Borrower and Guarantor to and for the benefit of Lender, together with any amendments, modification, extensions, replacements or supplements thereto.

“ **Environmental Law** ” means, collectively, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et. seq. (“ **RCRA** ”), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Liability Act, 42 U.S.C. §9601 et. seq. (“ **CERCLA** ”), the Toxic Substance Control Act, 15 U.S.C. §2601 et seq. (“ **TSCA** ”), the Clean Air Act, 42 U.S.C. §7401 et seq. (“ **CAA** ”), the Clean Water Act, 33 U.S.C §1251 et. seq. (“ **CWA** ”), (ii) all amendments to any of the foregoing laws, and (iii) all orders, regulations, directions and requirements

under any of the foregoing laws; and (iv) all other Legal Requirement relating to the environment, the environmental condition of the Property, or other providing for the regulation of Hazardous Material.

“ **Environmental Report** ” means that certain Phase I Environmental Site Assessment prepared by Partner Engineering and Science, Inc. dated April 1, 2022 and known as Project Number 22-362240.1.

“ **Equity Interests** ” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ **ERISA** ” means Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended.

“ **ERISA Plan** ” means any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by ERISA.

“ **Event of Default** ” shall have the meaning ascribed to such term in **Section 6.1**.

“ **Excluded Interest Rate Protection Obligations** ” means any obligation under an Interest Rate Protection Product if, and only to the extent that, all or a portion of the guaranty of the Guarantor of, or the grant by the Guarantor of a security interest to secure, such obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof), including by virtue of the Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Guarantor or the grant of such security interest becomes effective with respect to such obligation. If an obligation arises under an Interest Rate Protection Product governing more than one swap, such exclusion shall apply only to the portion of such obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

“ **Excluded Taxes** ” means any of the following Taxes imposed on or with respect to Lender or required to be withheld or deducted from a payment to Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Lender being organized under the laws of, or having its principal office or its applicable lending office located in the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Connection Income Taxes, (b) U.S. Federal withholding Taxes imposed on amounts payable to or for the account of Lender with respect to the Loan pursuant to a law in effect on the date on which Lender changes its lending office, except to the extent that, pursuant to **Section 3.8**, amounts with respect to such Taxes were payable to Lender immediately before it changed its lending office, (c) Taxes attributable to Lender’s failure to comply with **Section 3.8** any U.S. Federal withholding Taxes imposed under FATCA.

“ **FATCA** ” means Sections 1471 through 1474 of the Code, or any amendment or successor version that is substantively comparable and not materially more onerous to comply with, any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“ **FCCR Determination Date** ” means each June 30, September 30, December 31 and March 31 commencing on the first such date occurring after the Effective Date.

“ **Finance Leases** ” means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

“ **Fixed Charge Coverage Ratio** ” means Adjusted EBITDA PLUS rent paid to Borrower, LESS cash taxes paid, Distributions, and (i) unfinanced capex adjusted for capex related to new campus related purchases of property and equipment and MIAT program expansion costs for purchases of property and equipment, and other future purchases of property and equipment related to execution of Guarantor growth and diversification strategy (provided however, in the event such amount is greater than \$40,000,000.00, \$40,000,000 shall be deducted), DIVIDED by principal and interest expense for all funded debt excluding principal and interest related to the Lisle, IL property PLUS rent paid to the Borrower.

“ **GAAP** ” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statement by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied.

“ **Governmental Authority** ” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“ **Guarantor** ” means UNIVERSAL TECHNICAL INSTITUTE, INC ., a Delaware corporation.

“ **Guaranty** ” means that certain Guaranty dated of even date herewith made by Guarantor to and for the benefit of Lender, together with any amendments, modification, extensions, replacements or supplements thereto.

“ **Hazardous Materials** ” means and includes asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto and replacements therefor; (ii) such substances, materials or wastes as are regulated by any Environmental Laws and all orders, regulations, directions and requirements thereunder, and such other toxic or hazardous substances, materials or wastes that are or may become regulated under any other applicable municipal, county, state or federal law, rule, ordinance, direction, or regulation.

“ **Improvements** ” means those certain existing improvements located on the Property consisting of a 2-story, 106,680 square foot industrial building, together with all related improvements and amenities.

“ **Indebtedness** ” means for Guarantor and its subsidiaries, on a consolidated basis, without duplication, (a) all indebtedness of, or extensions of credit to, such Person, (b) all borrowed money of such Person, whether or not evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person as lessee under Finance Leases or finance leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP and all obligations of such Person incurred under any sale and leaseback or similar transaction (regardless of whether such transaction is effected without recourse to such Person (d) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (e) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person; provided that if such Person has not assumed or otherwise become liable for such indebtedness, such indebtedness shall be measured at the fair market value of such property securing such indebtedness at the time of determination, (f) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn), bankers' acceptances and similar obligations issued for the account of such Person (including any letters of credit), (i) the aggregate amount of uncollected accounts receivable, lease receivables or other receivables of such Person subject at such time to a sale of receivables (or similar transaction) regardless of whether such transaction is effected without recourse to such Person or in a manner that would not be reflected on the balance sheet of such Person in accordance with GAAP (j) all Indebtedness of any

partnership of which such Person is a general partner, (k) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to any property acquired by such Person and all obligations created or arising under such agreement even though the rights and remedies of the seller or lender thereunder are limited to repossession or sale of such property in the event of default; (l) any contingent obligations for warranties (other than warranties made in respect of Inventory sold in the ordinary course of business), guaranties and similar items to the extent that the same cease to be contingent and become absolute and remain unpaid and (m) any Equity Interests or other equity instrument, whether or not mandatorily redeemable, that under GAAP is characterized as debt, whether pursuant to Accounting Standards Codification (ASC) 470 or otherwise.

“ **Indemnified Tax(es)** ” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

“ **Insurance Escrow** ” shall have the meaning set forth in **Section 5.6(b)**.

“ **Interest Payment Date** ” means the first (1st) day of each calendar month.

“ **Interest Period** ” means as to any sums outstanding under the Loan, the period of one (1) month, with the initial Interest Period commencing on the date of the first disbursement of an advance hereunder and continuing up to but not including the first day of the immediately following month, and each subsequent Interest Period commencing on the first day of each month thereafter; provided that (i) if an Interest Period (other than an Interest Period which is scheduled to commence on the same day as the effective date of any Swap Agreement) would end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day, (ii) the final Interest Period shall commence on the last day of the immediately preceding Interest Period, and end on the Maturity Date, and (iii) any Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period.

“ **Interest Rate** ” means Term SOFR plus the Applicable Margin.

“ **Interest Rate Protection Collateral** ” means, collectively (i) any Interest Rate Protection Product, (ii) any and all moneys (collectively, “ **IRP Payments** ”) payable to Borrower, from time to time, pursuant to any Interest Rate Protection Product by the counterparty under such Interest Rate Protection Product (the “ **Counterparty** ”), (iii) all rights of Borrower under any of the foregoing, including all rights of Borrower to the IRP Payments, contract rights and general intangibles now existing or hereafter arising with respect to any or all of the foregoing, (iv) all rights, liens and security interests or guarantees now existing or hereafter granted by the Counterparty or any other person to secure or guaranty payment of the IRP Payments due pursuant to the Interest Rate Protection Product, (v) all documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter arising, (vi) all extensions, renewals and replacements of the foregoing, including, without limitation, any similar hedge product delivered in substitution for or replacement of the Interest Rate Protection Product; and (vii) all cash and non-cash proceeds and products of any of the foregoing, including, without limitation, interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of the other Interest Rate Protection Collateral.

“ **Interest Rate Protection Obligations** ” means with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any Interest Rate Protection Product, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Interest Rate Protection Product.

“ **Interest Rate Protection Product** ” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by Borrower which is a swap (including, without limitation, any agreement, contract or transaction that constitutes a “swap” under Section 1a(47) of the Commodity Exchange Act), forward, future or derivative transaction or option or similar agreement

involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, and in each case approved by Lender.

“ **Lease** ” means the UTI Lease and any other lease, sublease, license or other agreement, now or hereafter existing, under the terms of which any person other than Borrower has or acquires any right to occupancy or use of the Property, or any part thereof, or interest therein.

“ **Legal Requirements** ” means all applicable federal, state, local and foreign statutes, laws, treaties, rules, regulations, orders, decrees, writs, subpoenas, requirements, directives, codes, ordinances, orders, decisions, common law, judgments, decrees and all other requirements, decisions, directives, judgments, decrees, consents, approvals, authorizations, orders, registrations or qualifications and interpretations of any Governmental Authority or any court or arbitrator having or claiming jurisdiction with respect thereto (including, but not limited to, all Legal Requirements relating to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters (including, without limitation, all Environmental Laws, all Accessibility Laws, ERISA, Anti-Corruption Laws, Anti-Terrorism Laws, Bankruptcy Laws, and the Patriot Act), and any amendments, modification, extensions, replacements or supplements thereto.

“ **Lender** ” means VALLEY NATIONAL BANK , a national banking association, together with its successors and assigns.

“ **Licenses and Permits** ” means all licenses, permits, authorizations and agreements issued by or agreed to by any Governmental Authority, or by a private party pursuant to any Permitted Encumbrances, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Property.

“ **Lien** ” means, with respect to any asset, property or interest, including Borrower and the Property, any lien, charge, mortgage, deed of trust, pledge, hypothecation, encumbrance, conditional sale agreement, capital lease or title retention agreement, any financing lease or agreement having similar effect, any consignment or bailment for security purposes, reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances, whether based on contract, statute, common law or otherwise, on or with respect to such asset, property or interest.

“ **Loan** ” means the loan in the original principal amount of \$38,000,000.00 made pursuant to this Agreement.

“ **Loan Documents** ” means this Agreement, the Note, the Mortgage, the Environmental Indemnity, the Guaranty , and any and all other documents executed or delivered by or on behalf of Borrower or Guarantor in connection with the Loan.

“ **Loan Party** ” means each of Borrower and Guarantor.

“ **Loan-to-Value Ratio** ” means the ratio, expressed as a percentage, obtained by dividing (i) the outstanding principal balance of the Loan by (ii) the value of the Property, as set forth in a recent Appraisal.

“ **Managing Person** ” means, with respect to any Person that is (i) a corporation, its board of directors, (ii) a limited liability company, its board of control, manager, managing member or managing members, (iii) a limited partnership, its general partner, (iv) a general partnership or a limited liability partnership, its managing partner or executive committee or (v) any other Person, the managing body thereof or other Person analogous to the foregoing.

“ **Material Adverse Change** ” means a material adverse change, as determined by Lender in its reasonable judgment and discretion, in (a) the financial condition, business, prospects, assets, properties,

affairs, operations or Control of the Property, Borrower, and/or Guarantor, (b) the value of the Property (for its intended use by Borrower); (c) the status of title to, or the lien of the Mortgage upon, the Property, (d) the ability of Borrower or Guarantor to pay or perform their respective obligations under this Agreement or the other Loan Documents, (e) the ability of Borrower to manage and operate the Property, or (f) the validity or enforceability of this Agreement or any of the other Loan Documents.

“ **Material Adverse Effect** ” means any event or condition which could, in Lender’s sole but reasonable judgment and discretion, result in a Material Adverse Change.

“ **Maturity Date** ” means April 14, 2029, unless earlier accelerated following the occurrence of any Event of Default.

“ **Maximum Rate** ” shall have the meaning ascribed to such term in **Section 3.3(d)** .

“ **Monthly Amortization Payment Amount** ” shall mean a monthly payment of principal based upon a twenty five (25) year modified amortization schedule and as provided on **Schedule 1** attached hereto.

“ **Mortgage** ” means that certain Mortgage and Security Agreement of even date herewith encumbering the Property as a first lien, executed by Borrower for the benefit of Lender, and any amendments, modifications, renewals, substitutions, consolidations, severances and replacements thereof.

“ **Net Cash Flow** ” means, for any period, the amount by which NOI for such period exceeds the debt service payable in respect of the Loan with respect to such period (taking into account the effect of any then existing Interest Rate Protection Product).

“ **NOI** ” means, as of any DSCR Determination Date, the amount by which (i) Operating Income received from operations of the Property for the 12-month period ending on such DSCR Determination Date exceeds (ii) the actual Operating Expenses for the Property paid during such period, with real estate taxes and any other Operating Expenses not paid on a monthly basis allocated on a 12-month pro-rata basis.

“ **Note** ” means that certain Mortgage Note dated of even date herewith made by Borrower to and for the benefit of Lender, together with any amendments, modification, extensions, replacements or supplements thereto.

“ **Obligations** ” means all indebtedness, obligations and liabilities of Borrower to Lender under this Agreement or any of the other Loan Documents or in respect of the Loan or any Interest Rate Protection Product (including all Additional Interest), or other instruments at any time evidencing any thereof, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

“ **Operating Supplies** ” means such materials which may be Hazardous Material such as cleaning materials and fuel oil used in the ordinary course in the operation and maintenance of the Property and in compliance with all Environmental Laws and all other Legal Requirements, and only in such quantities as shall be used in the ordinary course for the operation and maintenance of the Property.

“ **Operating Expenses** ” means expenditures of all kinds made with respect to the operation of the Property in the normal course of business, including, but not limited to, expenditures for taxes, insurance, repairs, maintenance, wages and utility costs, amounts payable with respect to the Property under or with respect to any Permitted Encumbrances and reasonable additions to, or creations of, reserves for repairs and replacements, any leases of the Property or amendments thereto, but expressly excluding: (a) any debt service on the Loan, (b) leasing costs, (c) expenditures made out of reserves previously created, (d) Excluded Taxes, income taxes or Other Charges in the nature of income taxes, (e) any expenses incurred in connection with the making of the Loan or in connection with any recovery of Insurance Proceeds or Awards, (f) Capital Expenditures, (g) any items of expense which would otherwise be considered within Operating Expenses but is paid directly by the tenants under the Leases, and (g) depreciation and

amortization expenses related to the Property (without duplication of the items set forth above). Any expenditures which in accordance with accrual basis income tax accounting are depreciated or amortized over a period which exceeds one (1) year shall be treated as an expenditure, for the purposes of the foregoing calculations, ratably over the period of depreciation or amortization.

“ **Operating Income** ” means all ongoing income actually received by Borrower from the ownership and operation of the Property, including, without limitation, all amounts paid to Borrower by any tenant or other Person in occupancy as Rents relating to the Property under Approved Leases, plus other income in the ordinary course; provided, however, Operating Income shall not include (i) any insurance proceeds or condemnation awards (other than business interruption or rent insurance proceeds and only to the extent allocable to the period in question), (ii) any item of income otherwise includable in Operating Income but paid directly to a Person other than Borrower as an offset or deduction, (iii) security deposits received from tenants, until applied in accordance with the terms of the related Lease, (iv) other than in connection with the UTI Lease, Rents from any Affiliate of Borrower to the extent that the same are greater than would be paid by an unrelated third party in an arm’s length transaction, (v) lease termination payments, (vi) tax refunds, or (viii) Rent under a Lease (a) which is not an Approved Lease, (b) which is in a free rent period, (c) where the tenant is in bankruptcy or has publicly or in writing admitted its inability to pay its debts as and when they become due, (d) where the tenant that has given notice of its intention to vacate or surrender all or any portion of its leasehold estate, (e) which is scheduled to expire within three (3) months of any date of determination, unless Borrower has entered into a new Approved Lease for such tenant’s entire premises which is for a rental amount equal to or greater than such Lease which is scheduled to expire, or (f) any other non-recurring or extraordinary income.

“ **Organizational Consent Documents** ” means (a) with respect to any limited liability company, such consent and authorization of the members of such limited liability company, (b) with respect to any limited partnership, such consent and authorization of the partners of such limited partnership, and (c) with respect to any corporation, such resolutions, votes or other corporate authorizations for such corporation, which, in all cases, demonstrate and evidence authority for (A) the closing the Loan and the transactions contemplated by this Agreement, (B) the continued authorization of the Authorized Representatives designated to deal in all respects on behalf of Borrower; and (C) the execution, delivery and performance of all Loan Documents.

“ **Organizational Documents** ” means (a) with respect to Borrower, Borrower’s certificate of formation and operating agreement , and (b) with respect to Guarantor, Guarantor’s certificate of incorporation and by-laws, together with any and all amendments or modifications thereof.

“ **Other Assigned Collateral** ” has the meaning set forth in **Section 8.1** .

“ **Other Connection Taxes** ” means, with respect to Lender, Taxes imposed as a result of a present or former connection between Lender and the jurisdiction imposing such Tax (other than connections arising from Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced any Loan Document, or sold or assigned an interest in the Loan or any Loan Document).

“ **Other Taxes** ” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or recording or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“ **Participant** ” shall have the meaning ascribed to such term in **Section 9.3(b)** .

“ **Patriot Act** ” means the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001).

“ **Permitted Alterations** ” means (a) Alterations approved in writing by Lender in accordance with **Section 5.10**, or (b) any Alterations that (i) shall not have a Material Adverse Effect, and (ii) do not materially expand the footprint of the Improvements.

“ **Permitted Encumbrances** ” means those certain exceptions set forth in Schedule B to the Title Policy.

“ **Permitted Indebtedness** ” means the Loan and any other indebtedness incurred (a) in the ordinary course of business for the purchase of goods or services which are payable, without interest, within sixty (60) days of billing, and (b) in connection with any Interest Rate Protection Product permitted under the Loan Documents and provided by Lender.

“ **Permitted Transactions** ” means Permitted Indebtedness, Permitted Encumbrances and Permitted Transfers.

“ **Permitted Transfers** ” means any a transfer of direct or indirect ownership in Borrower: (i) to and among the existing direct or indirect owners of Borrower; (ii) to the immediate family members of the existing direct or indirect owners of Borrower; (iii) to one or more entities that are wholly owned and Controlled, directly or indirectly, by the existing direct or indirect owners of Borrower or the immediate family members of the existing direct or indirect owners of Borrower; (iv) to trusts established for the benefit of the immediate family members of the existing direct or indirect owners of Borrower; (v) any transfers of equity interests in a publicly traded company or public company; or (vi) transfers of twenty-five percent (25%) or less indirect ownership in Borrower; provided that at all times and in all cases other than transfers under clause (v), the (a) Borrower shall provide Lender with at least ten (10) days prior written notice of such proposed transfer, and, if such Person after such transfer would hold a 10% or more direct or indirect interest in Borrower, sufficient information as to satisfy Lender’s then standard “know your customer” requirements, (b) Guarantor shall continue to Control the management and operations of Property and Borrower, (c) Universal Technical Institute Ventures, LLC, a Delaware limited liability company, shall continue to own at least 51% of direct and indirect ownership interests in Borrower, and (d) such transferee shall not be a Disqualified Transferee.

“ **Person** ” means any natural person, corporation, limited liability company, unincorporated organization, real estate investment trust, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“ **Prime Rate** ” or “ **Wall Street Journal Prime Rate** ” means the rate of interest designated as the “Prime Rate” which appears in each publication of The Wall Street Journal under the designation entitled “Money Rates.” This rate of interest fluctuates and is subject to change without prior notice. If and when the Wall Street Journal Prime Rate changes, the rate of interest on the Loan will automatically change effective on the date of any such change, without notice to Borrower. In the event that the Wall Street Journal Prime Rate cannot be ascertained from publication of The Wall Street Journal, the rate of interest which shall be used in substitution thereof and until such time as the Wall Street Journal Prime Rate can be ascertained by reference to The Wall Street Journal shall be a rate equal to the average of the prime rate of interest announced from time to time by three (3) New York banks selected by the Lender in its sole and absolute discretion.

“ **Proceeds** ” means insurance proceeds and/or any compensation, awards and other payments or relief payable as a result of any Casualty or Condemnation.

“ **Prohibited Distributions** ” means any Distributions made (a) at any time that an Event of Default exists, or (b) if, after giving effect to such Distribution, an Event of Default would arise from such Distribution or (c) at the time of and after giving effect to such distribution, the Debt Service Coverage Ratio shall be less than 1.20:1.00.

“ **Project Documents** ” means the Property Management Agreement, and any other contracts and agreements relating to the ownership, operation, brokerage, sales, operation, management, parking, maintenance and leasing of the Property or any portion thereof.

“ **Property** ” means the real property located at 2611 Corporate West Drive, Lisle, Illinois 60532 which property is more particularly described in **Exhibit A** attached hereto, together with the Improvements now or hereafter located thereon, and all other property secured by the Mortgage and the other Loan Documents.

“ **Property Benefits** ” means any other easements, tax incentives, and other benefits attributable to the ownership or operation of the Property.

“ **Related Part(y)(ies)** ” means, with respect to any Person, (a) all direct and indirect members, partners, shareholders or other owners of such Person that individually own more than twenty-five percent (25%) interest in such Person, (b) all directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person, (c) any subsidiaries of such Person, (d) any Affiliate of such Person that own more than twenty-five percent (25%) interest in such Person

“ **Rents** ” means the rents, additional rents and other consideration payable to Borrower under the terms of a Lease.

“ **Required DSCR** ” means 1.20:1.00.

“ **Restorable Condemnation** ” means a partial Condemnation of the Property which is capable, in Lender’s determination, of Restoration.

“ **Restoration** ” shall mean the repair and restoration of the Property after a Casualty or Condemnation as nearly as possible to the condition the Property was in immediately prior to such Casualty or Condemnation, such that, after giving effect to such repair or restoration, the Property shall constitute a complete, economically viable architectural unit of substantially the same usefulness, design and construction and fully functional for the same purposes and uses as existed prior to the Casualty or Condemnation, together with any Permitted Alterations.

“ **Sanctions** ” means any sanctions administered or enforced by the United States government (including, without limitation, Department of the Treasury’s Office of Foreign Assets Control and the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty’s Treasury or any other relevant sanctions authority.

“ **Single Purpose Entity** ” means a corporation, limited partnership or limited liability company, as applicable, that since the date of its formation and at all times on and after the date thereof:

(i) is and shall be organized solely for the purpose of acquiring, owning, managing and operating the Property and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(ii) has not engaged and shall not be engaged, in any business unrelated to the Property and has not had, does not have, and will not have any assets other than those related to the Property;

(iii) has not engaged, sought or consented to, and will not engage in, seek or consent to, any dissolution, winding up, liquidation, consolidation, merger, sale of all or substantially all of its assets, transfer of partnership or membership interests (if such entity is a general partner in a limited partnership or a managing member in a limited liability company) or amendment of its limited partnership agreement, articles of incorporation, articles of organization, certificate of formation or operating agreement (as applicable) with respect to the matters set forth in this definition;

(iv) has maintained, and shall intend to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(v) has maintained and will maintain its accounts, books, financial statement, records, resolutions, stationary, invoices, checks and agreements separate from any other Person and has filed and will file its own tax returns, except to the extent that it has been or is required to file consolidated tax returns by law;

(vi) has not commingled, and will not commingle, its funds or assets with those of any other Person;

(vii) has held itself out, identified itself and conducted its business and will hold itself out, identify itself and conduct its business as a separate and distinct entity under its name and has not failed, and will not fail, to correct any known misunderstanding regarding the separate identity of such entity;

(viii) has paid and will pay its own liabilities and expenses, including the salaries of its own employees (if any), out of its own funds and assets, and has maintained and will maintain a sufficient number of employees (if any) in light of its contemplated business operations, with it being understood that nothing in this clause (viii) shall limit the right of Borrower to share overhead expenses with Related Party in compliance with clause (xi);

(ix) except for Permitted Indebtedness, has not and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), provided that the foregoing shall not require (or prevent) any partners, investors, equityholders, members, affiliates or other owners of Borrower to make any capital contributions to Borrower;

(x) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person;

(xi) has allocated and will allocate, fairly and reasonably, any overhead expenses that are shared with any Related Parties, including, but not limited to, paying for shared office space and services performed by any employee of any Related Party, provided, that, in each such case, there exists and is made available to Borrower sufficient cash flow from the Property to do so and that the foregoing shall not require (or prevent) any partners, investors, equityholders, members, affiliates or other owners of Borrower to make any capital contributions to Borrower;

(xii) has not pledged and will not pledge its assets for the benefit of any other Person and has not made and will not make loans to any Person or hold evidence of indebtedness issued by any other Person;

(xiii) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xiv) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its Related Parties except in the ordinary course of its business and on terms which are intrinsically fair, commercially reasonable and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party;

(xv) does not and will not have any of its obligations guaranteed by any Related Party, except as expressly provided by the Loan Documents; and

(xvi) has complied and will comply with all of the terms and provisions contained in its organizational documents.

“**SOFR**” means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

“ **SOFR Advance** ” means an advance that bears interest at a rate based on Term SOFR.

“ **Taxes** ” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“ **Tax Escrow** ” shall have the meaning set forth in **Section 5.6(a)**.

“ **Term SOFR** ” shall mean, for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “ **Periodic Term SOFR Determination Day** ”) that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date (defined below) with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR is or will be hedged with a swap, the floor rate shall be waived.

“ **Term SOFR Administrator** ” shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

“ **Term SOFR Reference Rate** ” shall mean the forward-looking term rate based on SOFR.

“ **Title Company** ” means Chicago Title Insurance Company.

“ **Title Policy** ” means that certain title insurance policy issued by Title Company, insuring the Mortgage as a first lien on the Property, subject only to the Permitted Encumbrances.

“ **UCC** ” means the Uniform Commercial Code in effect in the State of Illinois.

“ **U.S. Person** ” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“ **UTI Lease** ” means that certain Lease Agreement dated August 22, 2012 by and between Borrower, as landlord, and U.T.I. OF ILLINOIS, INC., an Illinois corporation, as tenant, for the entire Property.

“ **Withholding Agent** ” means any Loan Party or Lender.

Section 1.2 **Terms Generally** . The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any Legal Requirement herein shall, unless otherwise specified, refer to such Legal Requirement as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed

to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II **Conditions Precedent**

Borrower agrees that, in addition to all other conditions set forth herein, the making of the Loan is conditioned upon the fulfillment of each of the following conditions, subject, however, to the right of Lender to waive any one or more of such conditions in whole or in part and provided that if the Lender has made the Loan to Borrower, Lender shall be deemed to have approved or waived each of the following conditions:

Section 2.1 **Payment of Fees and Expenses**. Borrower shall have paid the Upfront Fee and all other fees and expenses (including Lender's counsel's fees) required to be paid by Borrower as of the Effective Date in connection with the Loan.

Section 2.2 **Loan Documents**. Each of the Loan Documents shall be satisfactory in form, content, substance and manner of execution and delivery to Lender and its counsel and shall have been duly executed and delivered by all parties thereto.

Section 2.3 **Financial Matters**. Lender shall have received, and in its sole discretion approved:

(a) **Financial Statements**. Financial statements from Borrower and Guarantor complying with the standards set forth in **Section 5.1**.

(b) **Loan-to-Value Ratio**. Evidence that the Property's "as-is" Loan-to-Value Ratio is not in excess of 75.0%.

Section 2.4 **Third Party Reports**. Lender shall have received, and in its sole discretion approved, each of the following third party reports, each of which shall be addressed to Lender:

(a) **Appraisal**. An Appraisal of the Property demonstrating compliance with the requirements of **Section 2.3(b)**.

(b) **Property Condition Report**. A property condition report to the effect that the Property is in good repair and safe condition with no structural deficiencies and no material need for repairs or replacements, except in the ordinary course of business.

(c) **Environmental Report**. The Environmental Report.

(d) **Other Certifications**. Such other certificates, opinions, surveys, and other evidence of compliance with each of the conditions herein set forth as Lender may reasonably require.

Section 2.5 **Real Property Due Diligence**. Lender and its counsel shall have received, and in their sole discretion approved, the following:

(a) **Insurance**. Evidence of insurance coverages which meet the insurance requirements set forth in **Section 5.2** to the satisfaction of Lender and its Consultant.

(b) **Leasing Matters**. A detailed and current rent roll and copies of all Leases, estoppel certificates, and subordination and non-disturbance agreements from tenants as required by Lender.

(c) **Licenses and Permits**. Evidence of the existence of all Licenses and Permits for the Property sufficient to allow the Property to be operated in the ordinary course of business with no violations existing under the terms thereof.

(d) Project Documents. Copies of all Project Documents, together with an assignment and subordination agreement with respect to the Property Management Agreement executed by Borrower and Property Manager.

(e) Flood Hazard Determination. A satisfactory flood hazard determination of the Property.

Section 2.6 Title Matters. Lender and its counsel shall have received, and in their sole discretion approved, the following:

(a) Title Insurance. A Lender's title insurance policy which is satisfactory to Lender and its counsel and which shall insure that the Mortgage is a valid and perfected first priority Lien on the Property.

(b) Survey. A current survey of the Property containing a certification thereon, or on a separate surveyor's certificate, of a properly licensed surveyor acceptable to Lender, which meets Lender's survey requirements ("Updated Survey").

Section 2.7 Entity Status Items. Lender and its counsel shall have received, and in their sole discretion approved, the following:

(a) Borrower's Organizational Documents. The Organizational Documents for Borrower and for each owner of a direct or indirect interest in Borrower, to the extent deemed necessary by Lender, and a certificate evidencing the good standing of Borrower and authorization of Borrower to conduct business in the State of Illinois and, to the extent deemed necessary by Lender, a certificate evidencing the good standing of each owner of a direct or indirect interest in Borrower.

(b) Guarantor's Organizational Documents. The Organizational Documents for the Guarantor and for each owner of a direct or indirect interest in Guarantor, to the extent deemed necessary by Lender, and a certificate evidencing the good standing of Guarantor and, to the extent deemed necessary by Lender, a certificate evidencing the good standing of each owner of a direct or indirect interest in Guarantor.

(c) Consents and Authorizations. Copies of all Organizational Consent Documents for (A) Borrower and for each owner of a direct or indirect interest in Borrower, to the extent deemed necessary by Lender and (B) Guarantor and for each owner of a direct or indirect interest in Guarantor, to the extent deemed necessary by Lender.

(d) Legal Opinion. Legal opinion letter(s) from counsel representing Borrower and Guarantor.

(e) Searches. UCC, tax lien, judgment, bankruptcy and Patriot Act searches against Borrower and Guarantor.

(f) Beneficial Ownership Certificate. (a) Documentation and other information requested by Lender in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT ACT, and (b) a Beneficial Ownership Certification in relation to Borrower pursuant to the Beneficial Ownership Regulation.

Section 2.8 Compliance Prerequisites. The following additional conditions shall be satisfied:

(a) No Event of Default. No Event of Default shall have occurred or other event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

(b) Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower or Guarantor to Lender shall be true, accurate and complete and shall not omit any material fact necessary to make the same not misleading.

(c) Condition of Property. No Casualty shall have occurred or other condition which is not disclosed in the property condition report referenced in **Section 2.4(b)**.

(d) No Condemnation. No Condemnation shall have occurred nor shall there be any threat of such a Condemnation.

(e) No Material Change. No Material Adverse Change shall have occurred since the date of their respective financial statements most recently delivered to Lender prior to the date hereof.

(f) No Other Liens; Taxes and Municipal Charges Current. The Property shall not be subject to any Lien, whether inferior or superior to the Loan Documents, except in respect of (a) real estate taxes and personal property taxes not yet due and payable; and (b) Permitted Encumbrances.

(g) Compliance With Law. Lender shall have received and independently approved evidence that the Property complies with all applicable Legal Requirements and the provisions of all applicable Licenses and Permits, and there are no outstanding and uncured violations of any applicable Legal Requirements.

ARTICLE III **Loan Terms**

Section 3.1 **The Loan**.

(a) Agreement to Lend and Borrow. Subject to satisfaction of the conditions set forth in **Article II** and all of other the terms, conditions and provisions of this Agreement, and of the agreements and instruments referred to herein, Lender agrees to make the Loan and Borrower agrees to accept and repay the Loan.

(b) Term of Loan. The Loan shall be for a term commencing on the date hereof and ending on the Maturity Date.

(c) Single Disbursement to Borrower. Borrower may request and receive only one disbursement hereunder in respect of the Loan. Any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

(d) The Note, Mortgage and Loan Documents. The Loan shall be evidenced by the Note and secured by the Mortgage and the other Loan Documents.

(e) Use of proceeds. Borrower shall use the proceeds of the Loan to (a) retire the existing loan secured by the Property, (b) to pay the costs and expenses incident to closing the Loan, (c) for other general business purposes of Borrower, (d) make such deposits of reserve funds on the date hereof in the amounts as may be provided herein, and (e) for distributions to the principals of Borrower.

Section 3.2 **Deleted**.

Section 3.3 **Interest Rate**.

(a) Interest Rate. Principal amounts outstanding under the Loan shall bear interest at the Interest Rate in accordance with **Section 3.5**.

(b) Default Rate. Notwithstanding **Section 3.3(a)**, from and after (i) the occurrence and during the continuance of any Event of Default or (ii) the Maturity Date, all principal amounts outstanding under the Loan shall, at the option of Lender, bear interest at the Default Rate.

(c) Computation of Interest. All interest hereunder shall be computed on the basis of a year of 360 days for the actual number of days elapsed (including the first day, but excluding the last day).

(d) Maximum Rate. Notwithstanding anything herein to the contrary (including, without limitation, Section 3.3(b)), if at any time the interest rate applicable to the Loan, together with all fees, charges and other amounts which are treated as interest on the Loan under applicable Legal Requirements (collectively, the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by Lender, the rate of interest payable in respect of the Loan, together with all related Charges, shall be limited to the Maximum Rate. To the extent lawful, the interest and Charges that would have been payable as a result of the operation of this Section 3.3(d) shall be cumulated and the interest and Charges payable to Lender in respect of other periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Interest Rate to the date of repayment, shall have been received by Lender.

Section 3.4 Payments.

(a) Interest Payments. Accrued interest shall be payable in arrears on each Interest Payment Date; provided that: (i) interest accrued at the Default Rate shall be payable on demand, and (ii) in the event of any prepayment of all or any portion of the Loan, accrued interest on the principal amount prepaid shall be payable on the date of such prepayment.

(b) Amortization Payments; Final Payment at Maturity. In addition to monthly payments of interest as provided for herein, commencing as of May 1, 2023, Borrower shall make monthly principal payments on each Interest Payment Date equal to the Monthly Amortization Payment Amount. On the Maturity Date, all accrued interest, principal and other charges due with respect to the Loan shall be due and payable in full.

(c) Early Prepayment. Borrower shall have the right at any time and from time to time to prepay the Loan in whole or in part, without premium or penalty (but with the payment of any amount due under Section 3.8 or in connection with any Interest Rate Protection Product), provided that (i) Borrower delivers prior written notice of its intention thereof in accordance with Section 9.1 at least ten (10) days prior to the date on which such prepayment is to be made and (ii) Borrower pays to Lender, simultaneously with such prepayment, any Additional Interest due in connection with such prepayment, and (iii) each principal prepayment shall not be less than \$1,000,000.00. Each notice of prepayment shall be irrevocable.

(d) Application of Payments. All payments received by Lender hereunder shall be applied first, to the payment of accrued interest on the principal amount outstanding, second, to the payment of any fees, costs, expenses or charges then payable by Borrower to Lender under this Agreement or the other Loan Documents, and third, to the payment of principal then due hereunder and any Additional Interest then due to Lender or any Affiliate of Lender, on a pari passu basis. Any partial prepayment of principal shall be applied to the installments of principal due in the inverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due. Notwithstanding the foregoing, after the occurrence and during the continuance of an Event of Default, Lender shall have the right to apply repayments and proceeds of collateral to the Obligations in any order, in its sole discretion.

(e) Timing of Payments; Auto-Debit. Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, or fees, or of amounts payable under Section 3, or otherwise) prior to 2:00 P.M., Chicago time, on the date when due, in immediately available funds, without deduction, setoff or counterclaim. Payments received after 2:00 P.M., Chicago time shall be deemed received on the next Business Day. Borrower hereby authorizes Lender to automatically debit account no. ending in -3200 at the Lender maintained by Borrower for the payment of any amounts due hereunder, the other Loan Documents or any Interest Rate Protection Product with the Lender or an Affiliate of Lender. Debits for monthly interest and amortization payments and payments of any applicable fees shall be made on each Interest Payment Date unless other arrangements are agreed to in writing.

(f) Extensions for Non-Business Days. If any payment hereunder shall fall due on a day that is not a Business Day, the date of payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such

extension, unless the next succeeding Business Day is in the next calendar month in which case such payment shall be made on the first preceding Business Day.

(g) Billings. Lender may submit monthly billings reflecting payments due. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due.

(h) Acceleration. Upon any acceleration of the Loan pursuant to this Agreement, all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate.

(i) Late Charges. Other than the final payment of principal due upon maturity, whether by acceleration or otherwise, if a payment is not made within ten (10) days of the date when due as required under this Agreement or under any of the other Loan Documents, Borrower shall be charged 5.00% of the unpaid portion of such payment.

Section 1.5 Interest Rate Computation.

The outstanding principal balance of the Loan shall bear interest at a fluctuating rate per annum equal to the Interest Rate in effect on the first day of the applicable Interest Period; provided, however, that in no event shall the Interest Rate applicable to advances hereunder be less than 2.00% per annum; provided further, however, to the extent that Borrower is or will be hedging the Term SOFR with a swap, the floor rate shall be waived by Bank.

Upon Borrower's request, Lender shall give notice to Borrower of the Term SOFR as determined or adjusted for each Interest Period in accordance herewith, which determination or adjustment shall be conclusive absent manifest error. All interest hereunder on any advance shall be computed on a daily basis based upon the outstanding principal amount of such advance as of the applicable date of determination.

In the event Lender shall have determined that by reason of circumstances affecting the Term SOFR, adequate and reasonable means do not exist for ascertaining the Term SOFR for any Interest Period with respect to any advance hereunder, the per annum rate of interest (the "Alternate Rate") applicable to such advance during such Interest Period shall be equal to 2.00% above the Wall Street Journal Prime Rate, subject to the minimum rate of interest specified in the first paragraph of this Section.

If, after the date of this Agreement, Lender shall determine (which determination shall be final and conclusive) that any Change in Law (defined below) shall make it impossible or unlawful for Lender to make, fund or maintain SOFR Advances for this Loan and for other loans made by Lender for similarly situated borrowers, then Lender shall notify Borrower. From the date of such notice until Lender notifies Borrower that the circumstances giving rise to such determination no longer apply, then (i) any obligation of Lender contained herein or in any agreement of Lender to make available SOFR Advances shall immediately be suspended, and (ii) any such SOFR Advances then outstanding shall instead bear interest, at Lender's option, at the Alternate Rate, such change taking effect either (x) on the last day of the then current Interest Period if Lender may lawfully continue to maintain SOFR Advances to such day, or (y) immediately if Lender may not lawfully continue to maintain SOFR Advances. Upon the occurrence of any of the foregoing events, Borrower shall pay to Lender immediately upon demand such amounts as may be necessary to compensate Lender for any fines, fees, charges, penalties or other costs incurred or payable by Lender as a result thereof and which are attributable to any SOFR Advances made available to Borrower hereunder, and any reasonable allocation made by Lender among its operations shall be conclusive and binding upon Borrower. For avoidance of doubt, Lender shall be entitled to exercise its rights under this paragraph and Borrower shall only be obligated to pay Lender hereunder, if Lender is taking the same actions for similarly situated borrowers.

Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

Section 1.6 **Term SOFR Conforming Changes**. In connection with the use or administration of Term SOFR, Lender shall have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Borrower or any other party to any other Loan Document. Lender shall promptly notify Borrower of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 1.7 **Benchmark Replacement Setting**. Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) **Replacing Benchmarks**. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the tenth (10th) Business Day after the date notice of such Benchmark Replacement is provided to Borrower without any amendment to this Agreement or any other Loan Document, or further action or consent of Borrower. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, Borrower may revoke any request for a borrowing of, or continuation of advances to be made or continued that would bear interest by reference to such Benchmark until Borrower's receipt of notice from Lender that a Benchmark Replacement has replaced such Benchmark, and, failing that, Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to advances bearing interest at the Prime Rate.

(b) **Subsequent Rate Conversion**. At any time following the effectiveness of a Benchmark Replacement in accordance with this Section, Lender shall have the right, by providing written notice to Borrower, to convert the then-current Benchmark to a different Alternative Rate in accordance with and subject to the conditions set forth in clause (1) of the definition of "Benchmark Replacement." Such Alternative Rate shall be deemed to be a "Benchmark Replacement" hereunder and will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the tenth (10th) Business Day after the date notice of such Benchmark Replacement is provided to Borrower without any amendment to this Agreement or any other Loan Document, or further action or consent of Borrower.

(c) **Benchmark Replacement Conforming Changes**. In connection with the implementation and administration of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or such other Loan Document.

(d) **Notices; Standards for Decisions and Determinations**. Lender will promptly notify Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes; provided that any failure to so notify will not affect Lender's rights hereunder. Any determination, decision or election that may be made by Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

(e) **Unavailability of Tenor of Benchmark**. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate), then Lender may remove any tenor of such Benchmark that is

unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(f) Disclaimer. Lender does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the administration, submission, calculation of or any other matter related to the rates in the definition of “Term SOFR” or with respect to any component definition thereof or rates referenced in the definition thereof or any alternative, comparable or successor rate thereto (including any Benchmark or any Benchmark Replacement or the effect, implementation or composition of any Conforming Changes (defined above)) and including, without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant hereto, will be similar to, or produce the same value or economic equivalence of, such Benchmark or any other Benchmark or have the same volume or liquidity as did such Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (b) the impact or effect of such alternative, successor or replacement reference rate or Conforming Changes on any other financial products or agreements in effect or offered to any obligor or any of their respective affiliates, including, without limitation, any Swap Obligation or Hedging Agreement (as defined in the Loan Documents).

(g) Definitions.

“**AMERIBOR**” shall mean, for the corresponding tenor, the arithmetic average AMERIBOR benchmark interest rate as provided by American Financial Exchange, LLC as administrator of the benchmark (or a successor administrator) to, and published by, authorized distributors of AMERIBOR.

“**Available Tenor**” shall mean, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“**Benchmark**” shall mean, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, the “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“**Benchmark Replacement**” shall mean, for any Available Tenor:

(1) For purposes of clause (a) or (b) of this Section, any of the alternative rates set forth below, in any combination of choices or in such order of priority as Lender shall determine in its sole and absolute discretion and which is (i) administratively feasible for Lender to establish and provide to its customers and (ii) a primary rate being utilized by banks in the New York lending market (each, an “**Alternative Rate**”):

(i) the sum of: (i) Daily Simple SOFR and (ii) an adjustment (which may be a positive or negative value or zero) that has been selected by Lender, giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; or

(ii) the sum of (i) Daily Compounded SOFR and (ii) an adjustment (which may be a positive or negative value or zero) that has been selected by Lender, giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; or

(iii) the sum of (i) Term BSBY and (ii) an adjustment (which may be a positive or negative value or zero) that has been selected by Lender, giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; or

(iv) the sum of (i) AMERIBOR and (ii) an adjustment (which may be a positive or negative value or zero) that has been selected by Lender, giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; or

(v) the sum of (i) any SOFR Average and (ii) an adjustment (which may be a positive or negative value or zero) that has been selected by Lender, giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; or

(vi) any other reference rate reasonably selected by Lender that Lender in its sole discretion commences to offer to its customers generally; or

(vii) if no available reference rate satisfies the requirements set forth in this paragraph 1 and in the provisos below, the Prime Rate;

provided that, in the case of clauses 1(iii), 1(iv), 1(v) or 1(vi) above, the relevant Alternative Rate is displayed on a screen or other information service selected by Lender in its reasonable discretion;

provided, further, that in the event any of the advances is hedged pursuant to one or more Swap Agreements (the “**Hedged Exposure**”), then the Benchmark Replacement for such Hedged Exposure shall have the meaning in effect from time to time ascribed to the “Floating Rate Option” under the relevant Confirmation(s) (as each of such terms is defined in the related Swap Agreement); and

provided, further, that, if the Benchmark Replacement as determined pursuant to clause (1) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents, provided, however, such Floor shall not apply for the portion of the Loan which is hedged pursuant to one or more Swap Agreements unless such Swap Agreement has a floor in which case the Floor shall apply while the floor applies under the Swap Agreement.

“**Benchmark Replacement Date**” shall mean the earliest to occur of the following events with respect to the then-current Benchmark: (a) in the case of clause (a) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide all Available Tenors of such Benchmark; or (b) in the case of clause (b) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark has been determined and announced by or on behalf of the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark to be non-representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (b) and even if any Available Tenor of such Benchmark continues to be provided on such date. For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark.

“**Benchmark Transition Event**” shall mean, with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution

authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“ **Conforming Changes** ” shall mean, with respect to either the use or administration of Term SOFR, or with respect to the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of “Prime Rate”, the definition of “Business Day,” the definition of “Interest Period” or any similar or analogous definition, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that Lender decides in its sole discretion may be necessary or appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as Lender reasonably decides is necessary in connection with the administration of this Agreement and the other Loan Documents).

“ **Daily Compounded SOFR** ” shall mean, for any day, SOFR, with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by Lender in accordance with the methodology and conventions for this rate recommended by the Relevant Governmental Body for determining “Daily Compounded SOFR” for bilateral business loans; provided, that if Lender decides that any such convention is not administratively feasible for Lender, then Lender may establish another convention in its reasonable discretion.

“ **Daily Simple SOFR** ” shall mean, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Lender in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for bilateral business loans; provided, that if Lender decides that any such convention is not administratively feasible for Lender, then Lender may establish another convention in its reasonable discretion.

“ **Relevant Governmental Body** ” shall mean the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“ **SOFR Average** ” shall mean a rate per annum equal to any of the 30-day, 90-day or 180-day rolling compounded averages of SOFR published on such Business Day by the Federal Reserve Bank of New York (or a successor administrator of the compounded average SOFR rates) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the compounded average SOFR rates identified as such by the administrator of the compounded average SOFR rates from time to time).

“ **Term BSBY** ” shall mean, for the applicable corresponding tenor, the Bloomberg Short-Term Bank Yield Index provided by Bloomberg Index Services Limited as administrator of the benchmark (or a successor administrator)

Section 3.8 Indemnified Taxes

(i) Payments Free of Taxes. Any and all payments by or on account of any obligation of Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable Legal Requirements (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of

any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Legal Requirements and, if such Tax is an Indemnified Tax, then the sum payable by Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this **Section 3.8**), Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(ii) **Payment of Other Taxes.** Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Legal Requirements, or at the option of Lender timely reimburse it for, any Other Taxes.

(iii) **Evidence of Payments.** As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this **Section 3.8**, Borrower shall deliver to Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(iv) **Indemnification by Borrower.** Borrower shall indemnify Lender, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Lender or required to be withheld or deducted from a payment to Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority.

(v) **Status of Lender.** If at any time Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Lender shall deliver to Borrower, at the time or times reasonably requested by Borrower, such properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, if reasonably requested by Borrower, Lender shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower as will enable Borrower to determine whether or not Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **clauses (1) and (2)** below) shall not be required if in Lender's reasonable judgment such completion, execution or submission would subject Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Lender. Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Person, (1) Lender shall deliver to Borrower, from time to time upon the reasonable request of Borrower, executed originals of IRS Form W-9 certifying that Lender is exempt from U.S. Federal backup withholding tax; and (2) if a payment made to Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Lender shall deliver to Borrower at the time or times prescribed by law and at such time or times reasonably requested by Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower as may be necessary for Borrower to comply with its obligations under FATCA and to determine that Lender has complied with Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of **clause (2)** above, "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower in writing of its legal inability to do so.

(vi) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this **Section 3.8** (including by the payment of additional amounts pursuant to this **Section 3.8**), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this **Section 3.8** with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other

than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this **Section 3.8** (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this **Section 3.8**, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this **Section 3.8** the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(vii) **Defined Terms**. For purposes of this **Section 3.8**, the term “applicable law” includes FATCA.

(b) **Mitigation Obligations**. If Lender requests compensation under **Section 3.8**, or if Borrower is required to pay any Indemnified Taxes or additional amounts to Lender or any Governmental Authority for the account of Lender pursuant to **Section 3.8**, then Lender shall use reasonable efforts to designate a different lending office for funding or booking the Loan hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to **Section 3.8** in the future and (ii) would not subject Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by Lender in connection with any such designation or assignment.

(c) **Certificate for Reimbursement**. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in **Section 3.8**, shall be delivered to Borrower and shall be conclusive and binding for all purposes absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Request for Reimbursement**. Failure or delay on the part of Lender to demand compensation pursuant to this **Section 3.8** shall not constitute a waiver of Lender’s right to demand such compensation; **provided** that Borrower shall not be required to compensate Lender pursuant to **Section 3.8** for any increased costs or reductions incurred more than 270 days prior to the date that Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of Lender’s intention to claim compensation therefor; **provided further** that, if any Change in Law giving rise to such increased costs or reductions is retroactive, then such 270-day period shall be extended to include the period of retroactive effect thereof; **provided further** that Lender shall have made the same request for payment of increases costs or reductions from similarly situated borrowers.

(e) **Invalidity or Inapplicability**. This **Section 3.8** shall be available to Lender (or such holding company) regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

(f) **Survival**. Borrower’s obligations under this **Section 3.8**, shall survive the termination of this Agreement and the repayment of the Obligations.

Section 1.9 **Additional Interest**. Borrower shall compensate Lender or any Affiliate of Lender providing an Interest Rate Protection Product for any Additional Interest that may be payable thereunder in accordance with the terms of such Interest Rate Protection Product.

ARTICLE IV **Representations and Warranties**

Borrower represents and warrants to Lender for the express purpose of inducing Lender to enter into this Agreement, to make the Loan, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Agreement, upon the date the Loan is funded, as follows:

Section 4.1 **Financial Information and Condition**.

(a) **Financial Statements**. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition and operations of Borrower and Guarantor as of the dates thereof, in all material respects.

(b) **Tax Filings**. Borrower and Guarantor have filed (or have obtained effective extensions for filing) all federal, state and local tax returns required to be filed and have paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower or Guarantor.

(c) **Financial Condition**. Borrower has (a) not entered into the transactions contemplated by this Agreement or any other Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities.

(d) **Solvency**. No petition under any Bankruptcy Laws has been filed against any Loan Party, nor any of their Related Parties, and neither Loan Party nor any of their Related Parties have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. Neither any Loan Party nor any of their Related Parties are contemplating either the filing of a petition by it under any Bankruptcy Laws or the liquidation of all or any portion of any Loan Party's assets or properties, and Borrower has no knowledge of any Person contemplating the filing of any such a petition against any Loan Party or any of their Related Parties.

(e) **No Material Adverse Change**. There has been no Material Adverse Change in the financial statements of the Borrower since the date of their respective last financial statements most recently delivered to Lender.

Section 4.2 **Entity Representations**.

(a) **Borrower's Entity Status**. Borrower is and has always been a limited liability company duly organized under the laws of the State of Delaware and is duly qualified to do business in, and is in good standing under the laws of, the State of Illinois. Borrower is and has been at all times been a Single Purpose Entity. Borrower has all requisite power and authority to conduct its business and to own or lease its property, as now conducted or owned or leased, and as contemplated by this Agreement and the other Loan Documents. A true and complete description of all direct and indirect ownership interests in and to Borrower, for any individual owner that has a 25% or more interest in Borrower, is listed in **Exhibit B**. The sole Managing Person of Borrower is as identified on **Exhibit B**. As of the Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(b) **Authorization**. Borrower has all requisite power and authority (i) to enter into, execute and deliver this Agreement and each other Loan Document to which it is or will be a party, (ii) to borrow the Loan, (iii) to grant to Lender, pursuant to the Loan Documents, a security interest and lien upon the Property, and (iv) to incur and perform the obligations provided for herein and therein, all of which have been duly authorized by all necessary and proper action.

(c) **Valid and Binding**. Each of the Loan Documents constitutes legal, valid and binding obligations of Borrower and, as applicable, Guarantor, subject only to laws of general application affecting the rights and remedies of creditors.

(d) **No Litigation**. There is no litigation now pending, or to Borrower's knowledge, threatened against Borrower or Guarantor which, if adversely decided, could have a Material Adverse Effect.

(e) **No Conflicts**. The execution, delivery and performance of this Agreement and the other Loan Documents by Borrower and/or Guarantor, as applicable, and the consummation of the Loan

and the transactions contemplated in this Agreement and the other Loan Documents, will not (i) except for Liens created by the Loan Documents, result in the creation or imposition of any Lien upon the Property or any of the other property or assets of Borrower, (ii) conflict with or result in a breach or default of any of the terms or provisions of any contract, agreement, organizational document or instrument to which Borrower is a party or by which any of Borrower's property or assets is subject, (iii) violate or conflict with any Legal Requirements, or (iv) require the consent or approval of any Governmental Authority or any other party which has not been obtained.

(f) Project Documents. To Borrower's knowledge, Borrower is not in default of, and the execution of this Agreement and the recordation of the Loan Documents to be recorded shall not violate, any term, covenant or condition set forth in the Project Documents. Borrower shall comply with all of the materials terms and conditions set forth in the Project Documents and shall, promptly upon its receipt thereof, provide Lender with prompt written notice of any material default thereunder. If requested by Lender, Borrower shall use reasonable efforts to obtain for Lender such estoppel certifications, and shall deliver such notices with respect to the existence of the Loan and the rights of Lender as a mortgagee, as may be required or permitted under the terms of the Project Documents.

(g) Other Agreements. Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower or the Property are bound. Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower is a party or by which Borrower or the Property is otherwise bound, other than the obligations under the Loan Documents.

(h) Background Information and Certificates. All of the factual information contained in this Agreement, the Exhibits hereto and the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Property or the Loan, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

(i) Not a Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

(j) Brokers and Financial Advisors. Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement except JLL. Borrower hereby agrees to indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any person that such person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein.

Section 4.3 Property Representations.

(a) Property and Improvements. Except for any Permitted Encumbrances, Borrower is the lawful fee owner of the Property and the Improvements, free and clear of all Liens of any nature whatsoever.

(b) Leases. All Leases are in full force and effect, and true and complete copies thereof together with all amendments and modifications thereof have been previously delivered to Lender. The Leases have not been further amended or changed in any respect and are enforceable in accordance with the terms thereof, subject, however, to the terms of the Loan Documents. No default exists on the part of any tenant under any Lease or Borrower as lessor in the performance on the part of either of the terms, covenants, provisions or agreements contained in such Lease. Borrower knows of no condition which with the giving of notice or the passage of time or both would constitute a default on the part of any of the tenant or Borrower under any of the Leases. Borrower has not received any notice of default, notice of any right of off-set, or notice of any other material event with respect to any Lease, nor has any tenant paid to Borrower or any other party on behalf of Borrower any rental or other payments due under any Lease prior to the due date thereof.

(c) Compliance With Legal Requirements . To Borrower's knowledge, the Property is in full compliance with, and shall continue to comply with, all applicable Legal Requirements and any and all covenants, conditions, restrictions or other matters which materially affect the Property.

(d) Licenses and Permits . To Borrower's knowledge, all Licenses and Permits which are required for the ownership, operation and occupancy of the Property have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be, complied with in all material respects.

(e) Project Documents . To Borrower's knowledge, all of the Project Documents are in full force in effect with no material defaults thereunder, are terminable upon not more than thirty (30) days prior notice.

(f) Utilities . All utility services necessary for the occupancy of the Property and the operation thereof for their intended purpose are available at the Property including, without limitation, water supply, storm and sanitary sewer facilities, gas, electrical, internet, cable and telephone facilities.

(g) Encroachments . Except for Permitted Encumbrances or as identified in the Title Policy or Updated Survey, there are no encroachments on the Property and the Improvements do not encroach upon any adjoining land or adjoining street.

(h) Property Benefits . To Borrower's Knowledge, all of the Property Benefits (if any) are in full force in effect with no material defaults thereunder.

(i) Separate Tax Lots . The Property is comprised of one (1) or more parcels which constitute a separate tax lot or lots and does not constitute a portion of any other tax lot not a part of the Property.

Section 4.4 Compliance with Loan Documents .

(a) No Event of Default . No Event of Default has occurred or other event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

(b) Conditions Satisfied . All of the conditions precedent to closing and funding the Loan set forth in **Article H** have been satisfied.

(c) Guarantor's Warranties and Representations . Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender is untrue, incomplete or misleading in any respect.

Section 1.5 Compliance with Law .

(a) Accessibility Laws . Borrower represents and warrants to Lender that, to Borrower's knowledge, the Property is in full compliance with all Accessibility Laws.

(b) Environmental Laws . (i) Except as may be set forth in the Environmental Report, (i) no Hazardous Material has been generated, treated, stored (other than Operating Supplies) or disposed of, or otherwise deposited in or located on, under or about the Property, including without limitation the surface and subsurface waters of the Property; (ii) except as may be set forth in the Environmental Report, no activity has been undertaken on the Property which would cause any Hazardous Material to be generated, treated, stored or disposed of, or otherwise deposited in or located on, under or about the Property or any surface or subsurface waters thereof in violation of any applicable Environmental Law; (iii) no claim under any applicable Environmental Law is pending or threatened and no penalty arising under any applicable Environmental Law has been assessed, against Borrower, the Property or any Person whose liability for any such claim Borrower may be legally or contractually liable, and no investigation or review is pending or threatened by any Governmental Authority, citizens group or other Person with respect to any alleged violation by Borrower of, or failure of the Property to be in compliance with, any applicable Environmental Law with respect to the Property; (iv) Borrower is in possession of all

environmental, health and safety permits, licenses and other governmental authorizations required in connection with the ownership of the Property; (v) except as may be set forth in the Environmental Report, there are no substances or conditions in or on the Property which may support a claim or cause of action any Environmental Law; (vi) except as may be set forth in the Environmental Report, no underground storage tanks now or previously containing any Hazardous Material, or underground deposits of any Hazardous Material, are located on or under the Property; (vii) except as may be set forth in the Environmental Report, no asbestos is located on the Property; and (viii) except as may be set forth in the Environmental Report, there have been no environmental investigations, studies, audits reviews or other analyses conducted by, or that are in the possession of, Borrower in relation to the Property which have not been made available to Lender.

(c) Deferred Compensation and ERISA. Borrower does not have any ERISA Plan, and no “Reportable Event” as defined in ERISA has occurred and is now continuing with respect to any ERISA Plan. The making of the Loan, the performance by Borrower of its obligations under the Loan Documents and Borrower’s conducting of its operations do not and will not violate any provisions of ERISA.

(d) Sanctions, Anti-Corruption Laws and Anti-Terrorism Laws. None of Borrower or its Related Parties is a Person that is, or is owned or Controlled by Persons that are: (i) the subject of Sanctions or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. Each of Borrower and its subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by Borrower and each such subsidiary with Sanctions, Anti-Corruption Laws and Anti-Terrorism Laws. The operations of Borrower and its subsidiaries are and have been conducted at all times in compliance with all applicable Anti-Corruption Laws and Anti-Terrorism Laws and no action, suit or proceeding by or before any Governmental Authority involving Borrower or any of its subsidiaries with respect to any potential violation of the Anti-Corruption Laws or Anti-Terrorism Laws is pending, or to the knowledge of Borrower threatened. Borrower has provided to Lender all information regarding Borrower and its Related Parties necessary for Lender to comply with “know your customer” and Anti-Terrorism Laws and such information is correct.

(e) Investment Company Act. Borrower is not (a) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (b) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

ARTICLE V **Covenants**

Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding:

Section 5.1 Information Covenants. Borrower shall maintain a standard system of accounting in accordance with GAAP, and furnish or cause to be furnished to Lender all of the following which must be satisfactory in form and substance to Lender:

(a) Operating Statements. As soon as available but in any event within sixty (60) days after the end of each calendar quarter, Borrower shall deliver to Lender: (1) accurate and complete unaudited operating statements of Borrower setting forth all revenues and expenses from all sources relating to the operation of the Property, and (ii) such other financial information as Lender shall reasonably require. All such statements of Borrower must be reasonably satisfactory in form and substance to Lender and shall be certified by the chief financial officer of Borrower to be true and complete as of the date so delivered.

(b) Financial Statements of Borrower. As soon as available, but in any event within sixty (60) days after the end of each fiscal year, a copy of Borrower’s unaudited balance sheet and company prepared financial statements as at the end of such fiscal year, setting forth in each case in comparative form the figures for the preceding fiscal year. The balance sheet and financial statements

shall be certified by the chief financial officer of Borrower to be true and correct to the best of his or her knowledge, which certification shall to the best of such officer's knowledge, that such financial statements have been prepared in accordance with GAAP in a manner consistent with prior fiscal periods, except as otherwise specified in such certification.

(c) DSCR Calculation Certificate. As soon as available but in any event not later than the date on which the operating statements are required to be delivered pursuant to **Section 5.1(a)**, a statement in form and substance satisfactory to Lender, certified by the chief financial officer of Borrower (or such other officer of Borrower acceptable to Lender) to be true and correct, setting forth the calculations of NOI, Debt Service, Debt Service Coverage Ratio and Net Cash Flow as of the last day of the 12-month period ending on the applicable DSCR Determination Date and containing such back-up information and documentation as Lender shall reasonably require.

(d) Financial Statements of Guarantor. As soon as available, but in any event within thirty (30) days after filing, the form 10-Q filed with the SEC and thirty (30) after filing, the form 10K filed with the SEC.

(e) Tax Returns of Guarantor. As soon as available, but in any event within thirty (30) days after filing, copies of Guarantor's federal income tax returns with all supporting schedules.

(f) Intentionally Omitted.

(g) Officer's Certificates. At the time of the delivery of the financial statements provided for in **Section 5.1(a)** and **(b)** as of June 30 and December 31 of each year, a certificate of the chief financial officer, to the effect that, to the best of his or her knowledge, no Event of Default has occurred and is continuing or, if any Event of Default has occurred and is continuing, specifying the nature and extent thereof and any actions taken or proposed to be taken with respect to any such Event of Default.

(h) Appraisals. Upon the occurrence of an Event of Default or an amendment to the Loan, Lender shall order an Appraisal of the Property to be prepared at Borrower's sole cost and expense by an Appraiser. Borrower shall promptly pay to Lender upon demand the cost of any appraisal, which payment shall be applied by Lender as a reimbursement to itself if Lender prepared or obtained the Appraisal, or if Lender previously paid an Appraiser for any reason.

(i) Environmental Audits. Within thirty (30) days after written notice from Lender, an environmental audit or assessment of the Property of the type and scope specified by Lender to be prepared at Borrower's sole cost and expense by an environmental engineer or consultant approved by Lender, which requirement for an environmental audit or assessment may be invoked by Lender from time to time if (i) Lender reasonably believes that there may have been a release of Hazardous Materials at the Property, that any representation in **Section 4.5(b)** is incorrect or that Borrower has failed to comply with any of its covenants or agreements set forth in **Section 5.14(c)** or (ii) any Event of Default has occurred and is continuing. Borrower shall promptly pay to Lender the entire cost of any environmental audit or assessment relating to the Property upon demand, which payment shall be applied by Lender as a reimbursement to itself if Lender prepared or caused any such environmental audit or assessment to be obtained, or if Lender previously paid an environmental engineer or consultant for any reason.

(j) Tax Statements. Within fifteen (15) days after Lender's request therefor, deliver to Lender a certification of Borrower's payment of each real estate tax and assessment or payment in lieu thereof on the due date thereof, and this shall be supplemented by a copy of the duly received tax bill.

(k) Other Indebtedness/Events of Default. Prompt written notice to Lender if: (i) any indebtedness of Borrower is declared or shall become due and payable prior to its stated maturity, or called and not paid when due, (ii) a default shall have occurred under any note or other evidence of indebtedness or the holder of any such note or other evidence of indebtedness has the right to declare any such indebtedness due and payable prior to its stated maturity as a result of such default, or (iii) there shall occur any Event of Default, or any event which, after the passage of time and/or the giving of notice, or both, would become an Event of Default.

(l) Notices from Governmental Authority . Prompt written notice of: (i) any material litigation or governmental proceedings pending or threatened against Borrower or any material citation, summons, subpoena, order to show cause, municipal violation or other order relating to the Property naming Borrower or the Property a party to any proceeding before any Governmental Authority, (ii) any lapse or other termination of any material license, certificate, permit, franchise or other authorization issued to Borrower or the Property by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any such material license, permit, certificate, franchise or other authorization, (iv) any material dispute between Borrower and any Governmental Authority or Person, (v) any order, notice, claim, or proceeding received by, or brought against Borrower, or with respect to the Property or any part thereof, under or in connection with any Environmental Law; or (vi) material failure of the Property to comply with applicable building codes. Borrower shall cooperate fully with Lender with respect to any proceedings before any court, board or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

(m) Other Information . With reasonable promptness after written request by Lender, (i) such other financial and other information with respect to Borrower, Guarantor and /or the Property as Lender may reasonably request from time to time. With reasonable promptness after written request by Lender; or (ii) information and documentation, including an updated Beneficial Ownership Certification, reasonably requested by Lender or any proposed assignee of Lender for purposes of compliance with applicable “know your customer” requirements under the Patriot Act or other applicable anti-money laundering laws, including the Beneficial Ownership Regulation.

(n) Borrower’s Statement . Within ten (10) days after written request from Lender but in no event more than once per calendar year, a written statement duly acknowledged of the amount due whether for principal or interest on the Loan and whether any offsets or defenses or counterclaims exist against the Obligations and, if any are alleged to exist, the amount and nature of each such offset or defense or counterclaim shall be set forth in full detail.

Section 5.2 Financial Covenants .

(a) Fixed Charge Coverage Ratio . Guarantor shall, as of any FCCR Determination Date, have achieved a Fixed Charge Coverage Ratio of not less than 1.25 to 1.00. The foregoing covenants may be tested by Lender on no more than a quarterly basis. Guarantor shall provide an executed compliance certificate evidencing compliance with the foregoing at the same time Guarantor provides the financial statements required by the Section 5.1(d) hereof.

(b) Total Indebtedness Ratio . Guarantor shall, at all times, maintain a trailing 12-month Indebtedness to Adjusted EBITDA ratio of not more than 3.50 to 1.00. The foregoing covenants may be tested by Lender on no more than an annual basis. Guarantor shall provide an executed compliance certificate evidencing compliance with the foregoing at the same time Guarantor provides the financial statements required by the Section 5.1(d) hereof.

Section 5.3 Insurance Requirements .

(a) Required Coverages . Borrower shall at all times provide and maintain the following insurance coverages with respect to the Property issued by companies qualified to do business in the State of Illinois, having a Best’s Rating of not less than A-VI and otherwise acceptable to Lender in its sole discretion:

(i) All-Risk . Physical insurance on an all-risk basis without exception (including, without limitation, flood required if property is in a “Special Flood Hazard Area” A or V), vandalism and malicious mischief, earthquake, collapse, boiler explosion, sprinkler coverage, cost of demolition, increased costs of construction and the value of the undamaged portion of the building and soft costs coverage) covering all the real estate, fixtures and personal property to the extent of the full insurable value thereof, having replacement cost and agreed amount endorsements in an amount and with deductibles approved by Lender.

(ii) Business Interruption. Rent loss or business interruption insurance in an amount equal to one year's projected rentals or gross revenues, either as a separate policy or as part of the policy referred to in subsection (i) above.

(iii) Boiler and Machinery. Boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and escalator equipment, provided the Improvements contain equipment of such nature, and insurance against loss of occupancy or use arising from any such breakdown, in such amounts as are satisfactory to Lender, either as a separate policy or as part of the policy referred to in subsection (i) above.

(iv) Public Liability. Public liability insurance, with underlying and umbrella coverages totaling not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate or such other amounts as may be determined by Lender from time to time.

(v) Worker's Compensation. Worker's compensation, employer's liability and other insurance required by law.

(vi) Deleted.

(vii) Flood. If all or any portion of the Property is located in a flood prone, flood risk or flood hazard area as designated pursuant to the Federal Flood Disaster Protection Act of 1973, as amended, and the regulations thereunder, or if otherwise reasonably required by Lender, flood insurance, which must be satisfactory to Lender.

(viii) Construction Coverage. During the course of any demolition, construction, renovation or repair of the Improvements (including any Alterations or Restoration), builder's completed value risk insurance against "all risks of physical loss", including collapse and transit coverage, during construction of such Improvements, with deductibles satisfactory to Lender, in non-reporting form, in an amount acceptable to Lender. Such policy of insurance shall contain the "permission to occupy upon completion of work or occupancy" endorsement and a waiver of coinsurance endorsement.

(ix) Other Coverages. Such other insurance coverages in such amounts as Lender may request consistent with the customary practices of prudent owners of similar properties.

(b) Evidence of Coverage. An actual insurance policy or certified copy thereof, or a binder, certificate of insurance, or other evidence of property coverage in the form of Acord 28 (Evidence of Property Coverage), Acord 25 (Certificate of Insurance), or a 30-day binder in form acceptable to Lender with an unconditional undertaking to deliver the policy or a certified copy within thirty (30) days, shall be delivered at closing of the Loan.

(c) Lender's Coverage Requirements. Lender shall be named as first mortgagee on policies of all risk-type insurance on the Property, as loss payee on the Property and its contents, and as first mortgagee on rent-loss or business interruption coverages related thereto. With respect to public liability insurance, Lender shall be named as an additional insured with respect to the Property. Only to the extent applicable, all other required insurance coverages shall have a so-called "Lender's endorsement" or "Lender's loss-payable endorsement" which shall provide in substance as follows:

(i) Loss or damage, if any, under the policy shall be paid to Lender in whatever form or capacity its interest may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

(ii) The insurance under the policy, or under any rider or endorsement attached thereto, as to the interest only of Lender, its successors and assigns, shall not be invalidated nor suspended:

(A) by any error, omission or change respecting the ownership, description, possession or location of the subject of the insurance or the interests therein or the title thereto; or

(B) by the commencement of foreclosure or similar proceedings or the giving of notice of sale of any of the property covered by the policy by virtue of any mortgage, deed of trust, or security interest; or

(C) by any breach of warranty, act, omission, neglect, or noncompliance with any provisions of the policy by the named insured, or anyone else, whether before or after a loss, which under the provisions of the policy of insurance, would invalidate or suspend the insurance as to the named insured, excluding, however, any acts or omissions of Lender while exercising active control and management of the insured property.

(iii) Insurer shall provide Lender with not less than thirty (30) days prior written notice of cancellation of the policy (for non-payment or any other reason) or of the non-renewal thereof.

(iv) The insurer reserves the right to cancel the policy at any time, but only as provided by its terms. However, in such case this policy shall continue in force for the benefit of Lender for thirty (30) days after written notice of such cancellation is received by Lender and shall then cease.

(d) Survival of Coverage. Should legal title to and beneficial ownership of any of the property covered under the policy become vested in Lender or its agents, successors or assigns, insurance under the policy shall continue for the term thereof for the benefit of Lender.

(e) Notices. All notices herein provided to be given by the insurer to Lender in connection with this policy and Lender's loss payable endorsement shall be mailed to or delivered to Lender by certified or registered mail, return receipt requested, as follows:

Valley National Bank
350 Madison Avenue, 3rd Floor
New York, New York 10017
Attention: Lynn Tomczyk, Loan Ops Collateral Manager

(f) Payment of Premiums. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such payment of insurance premiums prior to closing and thereafter at least thirty (30) days prior to each annual renewal or replacement of such coverages. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required hereunder, Lender may procure such insurance or single-interest insurance for such risks covering Lender's interest, and Borrower will pay all premiums thereon promptly upon demand by Lender, and until such payment is made by Borrower the amount of all such premiums, together with interest thereon at the Default Rate shall be secured by the Mortgage.

Section 5.4 **Casualty and Condemnation**.

(a) Casualty.

(i) Borrower's Obligations. In the event of any Casualty, Borrower shall (i) give immediate written notice thereof to Lender, (ii) promptly commence and diligently prosecute the Restoration of the Property and (iii) pay all costs of such Restoration whether or not such costs are covered by insurance.

(ii) Adjustment of Claims. All insurance claims shall be adjusted by Borrower, at Borrower's sole cost and expense, subject to Lender's prior written approval; provided that, at Lender's election but upon prior notice to Borrower, Lender shall have the right to join Borrower in adjusting or compromising such claims in excess of \$500,000.00 and Borrower shall deliver to Lender all instruments required by Lender to permit such participation.

(b) Condemnation.

(i) Borrower's Obligations. In the event of any Condemnation or if Borrower shall receive notice of any threatened or proposed Condemnation, Borrower shall give immediate written notice thereof to Lender. If such Condemnation shall constitute a Restorable Condemnation, Borrower shall (i) promptly commence and diligently prosecute the Restoration of the Property and (ii) pay all costs of such Restoration whether or not such costs are covered by any compensation, awards and other payments or relief payable as a result of any such Condemnation.

(ii) Adjustment of Claims. All compensation, awards and other payments or relief payable as a result of any such Condemnation shall be adjusted by Borrower, at Borrower's sole cost and expense; provided that, at Lender's election but upon prior notice to Borrower, Lender shall have the right to join Borrower in adjusting and compromising such claims and Borrower shall deliver to Lender all instruments required by Lender to permit such participation.

(c) Payment of Proceeds.

(i) Proceeds Paid to Borrower for Restoration. In the event of any Casualty or Restorable Condemnation for which the cost of Restoration is less than \$1,000,000.00, provided that no Event of Default exists, the applicable Proceeds shall be paid to Borrower to be applied by Borrower to Restoration.

(ii) Proceeds Paid to Lender for Restoration. In the event of any Casualty or Restorable Condemnation for which the cost of Restoration is greater than or equal to \$1,000,000.00, provided that no Event of Default exists, the applicable Proceeds shall be deposited in a blocked no-access account of Borrower at Lender and such Proceeds shall, subject to Borrower's satisfaction of the conditions set forth in Section 5.4(d), be made available to Borrower and applied by Borrower to Restoration.

(iii) Proceeds Paid at Lender's Option. In the event of (A) any Casualty or Restorable Condemnation for which the cost of Restoration is greater than \$1,000,000.00, (B) any Condemnation which is not a Restorable Condemnation, or (C) any Casualty or Condemnation during which an Event of Default exists, then, if any such events shall occur, Lender shall have the option to either (I) apply such Proceeds in reduction of the Loan, or (II) deposit such Proceeds in a blocked no-access account of Borrower at the Lender and such Proceeds shall, subject to Borrower's satisfaction of the conditions set forth in Section 5.4(d), be made available to Borrower and applied by Borrower to Restoration; provided, however, in the case of (A) where any Casualty or Restorable Condemnation for which the cost of Restoration is greater than \$1,000,000.00, Lender shall make the proceeds available to Borrower provided Borrower has satisfied the conditions set forth in Section 5.4(d).

(d) Use of Proceeds.

(i) Application of Proceeds. In the event that any Proceeds shall be available to Borrower pursuant to Section 5.4(c)(ii) or Section 5.4(c)(iii), such Proceeds shall only be disbursed to Borrower if:

(A) in the opinion of Lender, Restoration can be completed by the earlier of (I) one (1) year from the date of occurrence of such Casualty or Condemnation, or (II) the Maturity Date;

(B) either, in the opinion of Lender on advice from its Consultant: (I) the net Proceeds are sufficient to complete Restoration, or (II) if the net Proceeds are insufficient to complete Restoration, Borrower shall have deposited with Lender cash in an amount equal to the difference between the cost to effectuate a Restoration and the amount of such Proceeds;

(C) no Event of Default shall exist nor any event which, after the passage of time or the giving of notice, or both, could become an Event of Default;

(D) after giving effect to such Restoration, there shall remain Approved Leases in full force and effect sufficient to result in a Debt Service Coverage Ratio of at least 1.20:1.00, as determined by Lender; and

(E) the “as-completed” Loan-to-Value Ratio at the time of Restoration shall not be greater than 75%, which Loan-to-Value Ratio with respect to the proposed Restoration of the Property shall be based upon a new current Appraisal, the cost of which shall be paid by Borrower.

(ii) Disbursement of Proceeds . Any Proceeds made available to Borrower pursuant to **Section 5.4(c)(ii)** or **Section 5.4(c)(iii)** shall only be disbursed: (i) on advice from Lender’s Consultant (who shall be employed by Lender at Borrower’s sole expense) that the work completed or materials installed conform to said budget and plans, as approved by Lender; (ii) upon presentment of receipted bills and releases (or bills to be paid from such disbursement of Proceeds provided that receipted bills and releases are thereafter delivered to Lender) satisfactory to Lender; and (iii) any such Proceeds not needed to complete Restoration shall be applied by Lender as a prepayment of the Loan in reduction thereof. Any such Proceeds shall be disbursed not more frequently once per month, and shall be disbursed within ten (10) days after Borrower’s submission to Lender of a requisition for payment in a form reasonable acceptable to Lender together with all supporting documentation reasonably required by Lender, based upon the percentage of completion which has been achieved, provided, however, that each disbursement shall in no event exceed the Restoration costs then due and payable and not paid from previous disbursements of Proceeds.

(iii) Failure to Satisfy Conditions . If Borrower shall fail to satisfy any of the conditions precedent for the use of Proceeds which are set forth in this **Section 5.4(d)** for a period of thirty (30) days or more, then Lender shall have the right, at any time thereafter, in its discretion, to apply such Proceeds in reduction of the Loan.

(e) Requirements for Restoration . In the event that either (i) Proceeds shall be paid to Borrower pursuant to **Section 5.4(c)(i)**, (ii) Proceeds shall be made available to Borrower pursuant to **Section 5.4(c)(ii)** or **Section 5.4(c)(iii)**, or (iii) Borrower shall otherwise be obligated to complete any Restoration, then, in all such cases, Borrower shall, at Borrower’s sole cost and expense: (A) employ a duly licensed and insured architect who shall submit plans to Lender for the Restoration of the Property, (B) deliver to Lender for its review and approval a budget for the completion of such Restoration, which budget shall be certified by Borrower’s architect to be sufficient for the completion of such Restoration, (C) obtain such guaranteed maximum price or stipulated sum general contract agreement from a duly licensed and insured general contractor which provides for the payment and performance of labor and materials necessary for the Lien-free completion of such Restoration in accordance with such budget, (D) post such bonds, obtain such guaranteed maximum price general contract and/or enter into such other agreements and arrangements as Lender may require to insure the Lien-free completion of such Restoration, and (E) obtain and deliver to Lender all Licenses and Permits necessary for the commencement and completion of such Restoration. All material aspects of any Restoration shall be subject to Lender’s review and approval.

(f) Payment of Expenses . All reasonable expenses incurred by Lender pursuant to this **Section 5.4** (including any reasonable Consultants’ fees) and all actual hard and soft costs in connection with any Restoration shall be paid by Borrower.

Section 5.5 Taxes, Liens and Other Obligations .

(a) Taxes . Subject to Section 5.5(c) below, Borrower shall, from time to time when the same shall become due, and prior to the date of imposition of interest or penalty, pay and discharge, or cause to be paid and discharged, all taxes of every kind and nature (including real and personal property taxes or payments in lieu thereof pursuant to agreements with any governmental authority, and income, franchise, withholding, transfer or recordation taxes, profits and gross receipt taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public charges, whether of a like or different nature, imposed upon or assessed against it or the Property or any part thereof or upon the revenues, rents, issues, income and profits of the Property or arising in respect of the occupancy, use or possession thereof (including, without limitation, any

mortgage, transfer, gains, and recordation taxes imposed on Lender, by reason of its ownership of the Note or the Mortgage).

(b) Liens. Borrower shall pay, satisfy and obtain the release of all other claims and Liens affecting or purporting to affect the title to, or which may be or appear to be Liens on, the Property or on the revenues, rents, issues, income (other than the Permitted Encumbrances), and all costs, charges, interest and penalties on account thereof, including, without limitation, the claims of all Persons supplying labor or materials to the Property, and to give Lender, within thirty (30) days after written request, evidence satisfactory to Lender of the payment, satisfaction or release thereof.

(c) Right to Contest. Borrower shall not be required to pay any taxes, claims or governmental charges, or claims, or Liens, as the case may be, so long as Borrower diligently prosecutes such dispute or contest to a prompt determination in a manner not prejudicial to Lender and promptly pays all amounts ultimately determined to be owing. If Borrower shall fail to pay any such amounts ultimately determined to be owing or to proceed diligently to prosecute such dispute or contest as provided herein, then, upon the expiration of ten (10) days after written notice to Borrower by Lender of Lender's determination thereof, in addition to any other right or remedy of Lender, Lender may, but shall not be obligated to, discharge the same, and the cost thereof shall be reimbursed by Borrower to Lender.

(d) Indemnification. Borrower shall indemnify and hold Lender harmless from any and against all claims for taxes, assessments or governmental charges, or any other claim, or Liens, which may be made against Lender relative to Borrower, the Loan or the Property.

(e) Subrogation. The payment by Lender of any delinquent tax, assessment or governmental charge, or any claim, or Lien, shall be conclusive between the parties as to the legality and amount so paid, and Lender shall be subrogated to all rights, equities and liens discharged by any such expenditure to the fullest extent permitted by law.

Section 5.6 Escrows.

(a) Tax Escrow. Lender may from and after the occurrence of any Event of Default at its option, to be exercised by written notice to Borrower, require the deposit by Borrower at the time of each payment of an installment of interest or principal hereunder of an additional amount sufficient to discharge the obligations under **Section 5.3** when they become due (a "**Tax Escrow**").

(b) Insurance Escrow. Lender may from and after the occurrence of any Event of Default at its option, to be exercised by written notice to Borrower, require the deposit by Borrower, at the time of each payment of an installment of interest or principal hereunder, of an additional amount sufficient to discharge the obligations of Borrower under **Section 5.5** when they become due (an "**Insurance Escrow**").

(c) Escrows Generally. The determination of the amount payable into the Tax Escrow or Insurance Escrow and of the fractional part thereof to be deposited with Lender with each installment, so that the aggregate of such deposit shall be sufficient for its intended purpose, shall be made by Lender in its sole discretion. Such amounts shall be held by Lender without interest in an account acceptable to Lender and applied to the payment of the obligations in respect to which such amounts were deposited or, at the option of Lender after the occurrence and during the continuance of any Event of Default, to the payment of said obligations in such order or priority as Lender shall determine, on or before the respective dates on which the same or any of them would become delinquent. If one month prior to the due date of any of the aforementioned obligations the amounts then on deposit therefor shall be insufficient for the payment of such obligations in full, Borrower within five (5) days after demand shall deposit the amount of the deficiency with Lender. Nothing herein contained shall be deemed to affect any right or remedy of Lender under the provisions of this Agreement or of any Legal Requirement to pay any such amount and to add the amount so paid together with interest at the Default Rate to the indebtedness hereby secured.

Section 5.7 **Deleted**.

Section 5.8 **Accounts**.

For so long as the Obligations remain outstanding, Borrower shall be obligated to maintain the following accounts with Lender:

(a) All operating, lease security and other deposit accounts established with respect to the Property and the operations of Borrower.

(b) Any Tax Escrow or Insurance Escrow account established in accordance with the terms of **Section 5.6**.

Section 5.9 **Leases**.

(a) **Commercial Leases**.

(i) All Leases and renewals of Leases of all or any portion of the Property executed after the date hereof shall be subject to the prior written approval of Lender.

(ii) Borrower shall not, without the prior written consent of Lender, enter into, renew, extend, amend or modify, any provisions of any Lease.

(iii) Borrower (A) shall observe and perform the obligations imposed upon the landlord under the commercial Leases; (B) shall, within five (5) Business Days of receipt and/or delivery thereof, send copies to Lender of all notices of default which Borrower shall send or receive under any commercial Lease; (C) shall enforce the terms, covenants and conditions contained in the commercial Leases upon the part of the tenant thereunder to be observed or performed, short of termination thereof; provided however, a commercial Lease may be terminated in the event of a default by the tenant thereunder; (D) shall not collect any of the rents more than one (1) month in advance (other than security deposits); (E) shall not execute any other assignment of landlord's interest in the commercial Leases or the Rents relating thereto; (F) shall not terminate or accept the surrender by a tenant of any commercial Lease without the prior written consent of Lender unless by reason of a tenant default and then only in a commercially reasonable manner to preserve and protect the Property; and (G) shall execute and deliver at the request of Lender all such further assurances, confirmations and assignments in connection with the commercial Leases as Lender shall from time to time reasonably require.

Section 5.10 **Condition and Use of the Property**.

(a) **Maintenance and Repairs**. Borrower shall, at all times, maintain the Property in good operating order and condition and promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end. Notwithstanding the foregoing, if any Alterations (other than Permitted Alterations) shall be required in order for Borrower to comply with the foregoing requirement, Borrower shall promptly provide Lender with its proposal for such Alterations, which proposal shall be subject to Lender's approval.

(b) **Alterations**. Except for Permitted Alterations, Lender's prior written approval shall be required in connection with any Alterations.

(c) **No Waste**. Borrower shall not threaten, commit, permit or suffer any waste to occur on or to the Property or any part thereof in any manner or make any change in the use or any change which will in any way increase any fire or other hazards arising out of construction, renovation or operation of the Property, remove, demolish, or substantially alter any improvements or fixtures which may now or hereafter be located on the Property without the prior written consent of Lender, except where, in the case of fixtures, appropriate replacements free of superior title, liens and claims and having a value at least equal to the value of the fixtures removed are immediately made, and provided that such replacements are encumbered by the Mortgage.

Section 5.11 **Deleted** .

Section 5.12 **Prohibited Transactions** .

(a) **Generally** . Borrower shall not:

(i) **Transfers in Borrower** . Except for Permitted Transfers, directly or indirectly, permit any sale, lease, conveyance, transfer, mortgage, assignment, pledge, encumbrance, change, grant, or exchange (whether absolute or contingent, voluntarily or involuntarily, jointly or severally, or directly or indirectly) of any direct or indirect ownership interests in Borrower;

(ii) **Transfers of Interest in Property** . Except for Permitted Transfers and Approved Leases, directly or indirectly, sell, lease, convey, transfer, mortgage, assign, pledge, encumber, change, grant, or exchange (whether absolute or contingent, voluntarily or involuntarily, jointly or severally, or directly or indirectly) all or any portion of the Property, the Other Assigned Collateral or any other assets of Borrower;

(iii) **Transfers of Management or Control** . Except for Permitted Transfers, change or permit any change to the Managing Person of Borrower (or the Managing Person of any Person who, directly or indirectly, manages or controls Borrower);

(iv) **Changes to Organizational Structure** . Except for Permitted Transfers, change or permit any change to the direct or indirect structure or ownership of Borrower from that existing on the date hereof, permit any material amendment to any of its Organizational Documents, consolidate with, be acquired by, or merge into or with any Person, wind up, liquidate, dissolve, reorganize, merge or consolidate with or into any Person, enter into any merger or consolidation agreements, convey, sell, assign, transfer, lease, or otherwise dispose of all or substantially all of its assets to any Person, or permit any action which could result in Borrower not constituting a Single Purpose Entity;

(v) **Distributions** . Make any Prohibited Distribution;

(vi) **Other Indebtedness** . Except for Permitted Indebtedness, directly or indirectly create or incur any indebtedness or guaranty the obligations of any other Person, whether secured or unsecured, contingent or either directly or indirectly;

(vii) **Liens and Encumbrances** . Create or incur, or suffer to be created or incurred, or to exist, any encumbrance, mortgage, pledge, lien, charge or other security interest of any kind upon all or any portion of the Property, the Other Assigned Collateral or any other of its assets, whether now owned or hereafter acquired or upon the proceeds or products thereof;

(viii) **Transactions with Affiliates** . Except for the Project Documents executed as of the date hereof and approved by Lender, become a party to any transaction with an Related Party, unless (i) such transaction is entered into in the ordinary course of business and on terms that are no less favorable to Borrower than would be obtained in a comparable arm's length transaction with an unrelated third party and (ii) the terms thereof are fully disclosed to Lender in advance; or

(ix) **Material Contracts** . Except for the Project Documents executed as of the date hereof and approved by Lender, enter into any contracts or agreements with any Person other than those contracts and agreements which (a) comply with the terms of this Agreement, (b) are incident to the routine operation of the Property, (c) have a term no greater than one (1) year and are terminable upon thirty (30) days' notice, and (d) if in connection with any Alterations, which relate to Permitted Alterations.

(b) **Lender's Options** . Except for Permitted Transfers or as otherwise set forth in this Agreement, Lender may grant or withhold, or conditionally grant, its consent to any proposed transfer

(including any proposed transfer which would involve the assumption of the Obligations by any Person) in its sole and absolute discretion. In the case of a sale or transfer with Lender's prior written consent, or any such Permitted Transfer, the seller or transferor shall remain jointly and severally liable with the purchaser or transferee for all liabilities of Borrower hereunder.

(c) Lender's Review Costs . Borrower shall pay to Lender on demand all of Lender's costs, fees and expenses, including, without limitation reasonable attorneys' fees, in connection with any request for Lender to consent to a Transfer other than a Permitted Transfer.

Section 5.13 **Entity Covenants** .

(a) Rights and Privileges . Borrower shall do all things necessary to preserve and keep in full force and effect its limited liability company or partnership, as the case may be, existence, franchises, rights and privileges under the laws of the state of its formation.

(b) Single Purpose Entity . Borrower shall at all time remain a Single Purpose Entity.

Section 5.14 **Compliance with Law** .

(a) Generally . Borrower shall operate the Property and conduct its affairs in a lawful manner and in compliance with all Legal Requirements applicable thereto.

(b) ADA Compliance . Borrower shall (i) ensure that the Property will at all times comply with all applicable Accessibility Laws and, upon the request of Lender, Borrower will conduct such surveys of the Property as Lender shall require to ascertain such compliance; (ii) maintain accurate records of all expenditures made in connection with any alterations to the Property and will deliver copies thereof to Lender upon Lender's request; and (iii) defend, indemnify and hold harmless Lender and its Related Parties, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, cost or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to any violations of the Accessibility Laws (including, without limitation, any costs incurred by Lender in complying with any Accessibility Laws). Neither payment of the Obligations nor foreclosure shall operate as a discharge of Borrower's obligations under this **subsection (b)** . In the event Borrower tenders a deed in lieu of foreclosure, Borrower shall deliver the Property to Lender (or its designee) free of any violations of the Accessibility Laws. In the event Borrower does not timely perform any of the above obligations, Lender may perform said obligations at the expense of Borrower and Borrower shall, upon written demand from Lender, reimburse Lender for all costs, including attorney's fees and out-of-pocket expenses, and all liabilities incurred by Lender by reason of the foregoing, with interest thereon at the Default Rate from the date of such payment by Lender to the date of repayment.

(c) Environmental Laws . Borrower shall (i) perform and comply promptly with, and cause the Property to be maintained, used and operated in accordance with, all Environmental Laws, (ii) upon receipt of any notice that Borrower or the Property is in default under or is not in compliance with any Environmental Laws, or notice of any proceeding initiated under or with respect to any of the foregoing, promptly furnish a copy of such notice to Lender, (iii) keep or cause the Property to be kept free of Hazardous Material (other than Operating Supplies or that are in compliance in all material respects with all Environmental Laws and with permits issued pursuant thereof, if required), (iv) not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store (other than Operating Supplies or that are in compliance in all material respects with all Environmental Laws and with permits issued pursuant thereof, if required), handle, dispose, produce or process Hazardous Material, (v) ensure compliance by all operators, tenants and occupants of the Property (collectively, "**Operators** ") with all Environmental Laws and will ensure that all Operators obtain and comply with any and all required approvals, registrations or permits regarding Hazardous Materials, (vi) conduct and complete all investigations, studies, samplings and testings relative to Hazardous Materials, (vii) if at any time it is determined that any Hazardous Material is located on or under the Property in violation of Environmental Laws, diligently commence to take such action, at its sole expense, to comply with all Legal Requirements pertaining thereto, and (viii) defend, indemnify, and hold harmless Lender, its employees, agents, officers and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of or in any way related to Hazardous Material at or affecting the

Property or the soil, water, vegetation, buildings, personal property, persons, animals or otherwise and any personal injury (including wrongful death) or property damage arising out of or related to such Hazardous Material. Foreclosure shall not operate as a discharge of Borrower's engagements as to Hazardous Material. In the event Borrower tenders a deed in lieu of foreclosure, Borrower shall deliver the Property to Lender (or its designee) free of any and all Hazardous Material. In the event Borrower does not timely perform any of the above obligations, Lender may perform said obligations at the expense of Borrower and such expense shall be added to the Obligations.

(d) Zoning. Borrower shall not without the prior written consent of Lender seek, make, suffer, consent to or acquiesce in any change or variance in any zoning or land use laws or other conditions of use of the Property or any portion thereof. Borrower shall not without the prior written consent of Lender use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning or land use law or any other applicable Legal Requirement or modify any agreements relating to zoning or land use matters or with the joinder or merger of lots for zoning, land use or other purposes. Without limiting the foregoing, in no event shall Borrower take any action that would reduce or impair access to the Property from adjacent public roads.

(e) Sanctions; Anti-Terrorism Laws and Anti-Corruption Laws. Borrower shall not directly or indirectly, use the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds, to any subsidiary, joint venture partner or any other Person (i) to fund any activities or business of or with any Person, or in any country or territory, that at the time of such funding, is, or (with respect to a country or territory) whose government is, the subject of Sanctions or (ii) in any other manner that would result in a violation of Sanctions by any Person including, without limitation, Borrower and Lender. In addition, Borrower will not permit itself, its subsidiaries or any of their respective officers, directors, and employees or Persons who in the aggregate own a controlling interest in or otherwise control Borrower to become a subject of Sanctions or to violate Anti-Terrorism Laws or Anti-Corruption Laws. Borrower will not, directly or indirectly, use the proceeds of any advance of the Loan, or lend, contribute or otherwise make available such proceeds, to any subsidiary, joint venture partner or other Person, (x) to fund any activities or business of or with any Person, or in any country or territory, that at the time of such funding, is, or whose government is, the subject of Sanctions, or (y) in any other manner that would result in a violation of Sanctions by any Person including, without limitation, Borrower and Lender, or (z) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

(f) Federal Reserve Regulations. No portion of the proceeds of the Loan shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations T, U and X thereof.

ARTICLE VI **Events of Default**

Any of the following events, after passage of the applicable cure period set forth below (if any), shall constitute an “**Event of Default**” hereunder:

(a) Monetary Defaults. The failure by Borrower to pay (a) any interest on or principal of the Loan when due and such failure continues unremedied for a period of five (5) days after the due date thereof (except that twice per any 12 month period, Lender shall provide Borrower with notice of a such failure prior to Borrower being in default under this clause (a)), (b) any fees or any other amounts due under the Loan Documents (other than interest or principal) when due and such failure continues unremedied for a period of ten (10) days after demand therefor, or (c) any amount necessary to make any other payment or deposit required hereunder or under any of the other Loan Documents within the period set forth in here or in the Loan Documents, or if no period is set forth in the Loan Documents, then within ten (10) days after demand therefor.

(b) Failure of Representations. If any representation or warranty contained herein or in any of the other Loan Documents, or in any certificate or other document executed by any Loan Party

and delivered to Lender pursuant to or in connection with this Agreement, is not true and correct in all material respects, or omits to state a material fact necessary to make such representation not misleading, in each case, as of the date made or deemed made, and Borrower has not cured such breach, to the extent such representation or warranty is capable of being cured, within five (5) days after demand thereof.

(c) Liens; Judgments; Security .

(i) Mechanics Liens . If any Lien for the performance of work, or the supply of materials, or a notice of contract is filed against the Property or any portion thereof and remains unsatisfied or is not discharged or dissolved by a bond (or by cash collateral acceptable to Lender) for a period of thirty (30) days after notice of the filing thereof.

(ii) Levy; Attachment; Seizure . The levy, attachment or seizure pursuant to court order of any right, title or interest of Borrower in and to the Property or any portion thereof, if such order is not vacated and the proceeding in which it was entered is not dismissed within thirty (30) days of the entry of such order.

(iii) Judgments . One or more (i) judgments for the payment of money shall be rendered against Borrower or (ii) non-monetary judgments, orders or decrees shall be entered against Borrower, and, in either case, the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Borrower to enforce any such judgment.

(iv) Security . If the Liens created pursuant to the Loan Documents shall at any time not constitute a valid and perfected first priority Lien on the collateral intended to be covered thereby in favor of Lender, free and clear of all other Liens, or any of the Loan Documents shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by Borrower or any of its Related Parties.

(d) Borrower Cross Defaults .

(i) Borrower Other Indebtedness . Any default by Borrower under or in respect of any other loan or other extension of credit to Borrower by Lender, including but not limited to any default under any other existing or future loans.

(ii) Licenses and Permits . The neglect, failure or refusal of Borrower to keep in full force and effect any Licenses and Permits required for operation of the Property that is not fully reinstated within thirty (30) days after the lapse of effectiveness of the same.

(iii) Intentionally Omitted .

(iv) Intentionally Omitted .

(v) Interest Rate Protection Product Default . The occurrence or existence of any default, event of default, automatic termination event or other similar condition or event (however described), or any failure to make any termination or similar payment when due under, with respect to any Interest Rate Protection Product, whether or not any Lender or Affiliate of any Lender is a party thereto.

(e) Guarantor Defaults . If any of the following shall occur:

(i) Covenants . Any failure by Guarantor to pay, performance, satisfy or otherwise comply with, and any default in, the payment or performance of, any terms, provisions, covenants, conditions, representations, warranties or agreements of any Loan Document to which Guarantor is a party, beyond any applicable notice and cure periods set forth therein; or

(ii) Representations. Any material representation or warranty made by Guarantor in any Loan Document to which Guarantor is a party or shall at any time be materially false or misleading in any material respect, beyond any applicable notice and cure periods set forth therein; or

(iii) Dissolution. The liquidation, termination or dissolution of Guarantor; or

(iv) Guarantor Judgments. One or more judgments for the payment of money aggregating in excess of \$15,000,000.00 shall be rendered against Guarantor and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Guarantor to enforce any such judgment.

(v) Intentionally Omitted.

(vi) Fixed Charge Coverage Ratio. If, as of any determination date, the Fixed Charge Coverage Ratio is less than 1.25:1.00.

(vii) Total Indebtedness Ratio. If Guarantor shall fail to maintain a trailing 12-month Indebtedness to Adjusted EBITDA ratio of not less than 3.50 to 1.00; provided that if Guarantor has not achieved the Total Indebtedness Ratio required in this clause (vii), then Borrower shall have the right to make a partial prepayment of the Loan in order to achieve such Total Indebtedness Ratio.

(f) Challenges.

(i) If any Loan Party or any Person acting on behalf of any Loan Party shall claim or assert that this Agreement or any other Loan Document to which any Loan Party is a party or by which any Loan Party is bound is not a legal, valid and binding agreement enforceable against any Loan Party; or

(ii) If any Loan Document to which any Loan Party is a party or by which any Loan Party is bound shall in any way be terminated (except in accordance with its terms) or become or be judicially declared ineffective, unenforceable or inoperative or shall in any way cease to give or provide the rights, interests, remedies, powers and/or privileges intended to be created thereby.

(g) Insolvency. If:

(i) Any Loan Party shall (i) suspend or discontinue its business, or (ii) make an assignment for the benefit of creditors, or (iii) admit in writing its inability to pay its debts as they become due, or (iv) file a voluntary petition under any Bankruptcy Laws, or (v) become insolvent, or (vi) file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment of debt, liquidation or dissolution or similar relief under any present or future Legal Requirement, or (vii) petition or apply to any tribunal for any receiver, custodian or any trustee for any substantial part of its property, or (viii) be the subject of any such proceeding commenced against it which remains undismissed for a period of thirty (30) days; or (ix) file any answer admitting or not contesting the material allegations of any such petition filed against it, or of any order, judgment or decree approving such petition in any such proceeding, or (x) seek, approve, consent to, or acquiesce in any such proceeding, or in the appointment of any trustee, receiver, custodian, liquidator or fiscal agent for it, or any substantial part of its property, or an order is entered appointing any such trustee, receiver, custodian, liquidator or fiscal agent and such order remains in effect for 30 days, or (xi) take any formal action for the purpose of effecting any of the foregoing, or looking to its liquidation or winding up of any Loan Party; or

(ii) an order for relief is entered under any Bankruptcy Laws or any other decree or order is entered by a court having jurisdiction over the Property or over any Loan Party, (i) adjudicating any Loan Party a bankrupt or insolvent or (ii) approving as properly filed a petition seeking reorganization, arrangement, adjustment or re-composition of or in respect of any Loan Party under any Bankruptcy Laws, or (iii) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of any Loan Party or of any substantial part of the property of any thereof, or (iv) ordering the winding up or liquidation of the affairs of any Loan Party and any such decree or order

continues unstayed and in effect for a period of thirty (30) days; or (v) a petition is filed against any Loan Party pursuant to any similar law, Federal or state, and the same is not discharged within thirty (30) days.

(h) Specific Defaults.

(i) Failure to Provide Insurance. The failure by Borrower to maintain any insurance or to pay any premium therefore as required under Section 5.3, any such failure is not cured by Borrower within three (3) business days after demand thereof.

(ii) Failure to Pay Taxes. The failure by Borrower to pay any amount required to be paid pursuant to Section 5.5 on or before the date which the same is required to be paid, and such failure is not cured by Borrower within ten (10) days after demand thereof.

(iii) Prohibited Transactions. If Borrower shall take any action in violation of the requirements of Section 5.12 and such action is not withdrawn, revoked or rendered invalid within ten (10) Business Days.

(iv) DSCR. The failure of the Debt Service Coverage Ratio to equal or exceed the Required DSCR as of any DSCR Determination Date.

(v) Lease Default. A default or event of default under the UTI Lease such that U.T.I. of Illinois, INC. ceases paying rent, terminates the UTI Lease and/or vacates the Property.

(i) All Other Defaults. Any default in the payment or performance of any other term, provisions, covenant, condition, or agreements set forth in this Agreement or in any of the other Loan Documents, other than as expressly set forth in subsections (a) through (h) above, which default remains uncured beyond the expiration of any applicable notice and/or cure period provided therein and, if no such notice or cure period is so provided, after thirty (30) days after notice of such failure is given to Borrower by Lender, provided that if such default is not curable within such thirty (30) day period but Borrower commences to cure same and diligently pursues the cure, after a reasonable additional period thereafter, not to exceed thirty (30) days (i.e., sixty (60) days in all), provided Borrower is at all times diligently pursuing the cure and provided such default shall not have a Material Adverse Effect.

ARTICLE VII

Lender's Rights and Remedies

Section 7.1 Generally. Upon the occurrence of an Event of Default (other than an Event of Default described in Section 6.1(g)) and at any time thereafter, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, Lender may take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, without limitation, declaring the Obligations to be immediately due and payable (other than Interest Rate Protection Obligations included therein), and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower, Guarantor and the Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of Default described in Section 6.1(g), all Obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Section 7.2 Specific Remedies. Without limiting the generality of Section 7.1, upon the occurrence of any Event of Default, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion:

(a) Enter and Perform. Enter upon the Property to perform Borrower's obligations under any Lease, or to operate, maintain, repair and improve the Property and employ watchmen to

protect the Property, all at the risk, cost and expense of Borrower, consent to such entry being hereby given by Borrower;

(b) **Discontinue Work**. At any time discontinue any work commenced in respect of the Property or change any course of action undertaken by it and not be bound by any limitations or requirements of time whether set forth herein or otherwise;

(c) **Exercise Rights**. Exercise the rights of Borrower under any contract or other agreement in any way relating to the Property and take over and use all or any part of the labor, materials, supplies and equipment contracted for by Borrower, whether or not previously incorporated into the Property; and

(d) **Other Actions**. In connection with any work or action undertaken by Lender pursuant to the provisions of the Loan Documents, (i) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment, (ii) pay, settle or compromise all bills or claims which may become Liens against the property constituting the Property, or which have been or may be incurred in any manner in connection with the Property or for the discharge of Liens, encumbrances or defects in the title of the Property, (iii) take or refrain from taking such action hereunder as Lender may from time to time determine, and (iv) engage marketing and leasing agents and real estate brokers to advertise, lease or sell portions or all of the Property upon such terms and conditions as Lender may in good faith determine.

Section 7.3 **Reimbursement**. Borrower shall be liable to Lender for all sums paid or incurred pursuant to any of the Loan Documents whether the same shall be paid or incurred pursuant to this **Article VII** or otherwise, and all payments made or liabilities incurred by Lender hereunder of any kind whatsoever (including reasonable attorneys' fees) shall be paid by Borrower to Lender upon demand with interest at the Default Rate as provided in this Agreement or the Note from the date of payment by Lender to the date of payment to Lender and repayment of such sums with such interest shall be secured by the Loan Documents.

Section 7.4 **Power of Attorney**. For the purpose of exercising the rights granted by this **Article VII**, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably appoints and authorizes Lender (or any agent designated by Lender) as Borrower's attorney-in-fact, which power is coupled with an interest and irrevocable, and as such attorney-in-fact, Lender may, without the obligation to do so, execute and/or record in Lender's or Borrower's name any notices, instruments or documents that Lender deems appropriate to protect Lender's interest under any of the Loan Documents.

Section 7.5 **Right of Setoff**. If an Event of Default shall have occurred and be continuing, Lender and each of its Related Parties is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by Lender or its Related Parties to or for the credit or the account of Borrower against any or all the Obligations, irrespective of whether or not Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which Lender may have.

Section 7.6 **Right to Freeze**. If an Event of Default shall have occurred and be continuing, Lender shall have the right (in addition to the right of setoff referenced in **Section 7.5**), to freeze, block or segregate any deposits, balances and other sums so that Borrower may not access, control or draw upon or use the same.

Section 7.7 **Right to Employ**. Lender shall have the right to employ its own Consultants. With respect to any Consultant retained by Lender after either (a) the occurrence of an Event of Default or (b) the occurrence of any Material Adverse Change, the costs and fees of the Consultants shall be paid by Borrower upon billing therefor. Borrower shall provide the Consultants with continuing access to all aspects of the Property and all books and records related thereto at reasonable times during the day and upon at least two (2) Business Day's prior written notice to Borrower. Neither Lender nor any of the Consultants shall have liability to Borrower, Guarantor, or any third party, on account of (a) services performed by any Consultant, (b) any failure or neglect by any Consultant to properly perform services;

or (c) any approval or disapproval of work, plans or other matters. Neither Lender nor any Consultant shall have any obligation regarding proper performance of work related to the Property. Borrower shall have no rights under or relating to any agreement, report, or similar document prepared by any Consultant for Lender.

Section 7.8 **Waiver of Terms, Extensions and Releases**. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, or extend the time of payment of the Loan, or release portions of the Property from the provisions of this Agreement and from the Mortgage, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

Section 7.9 **Cumulative Rights**. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

ARTICLE VIII **Assignment and Security Agreement**

Section 8.1 Collateral Assignment of Agreements

(a) **Assignment**. To further secure the Obligations, Borrower hereby collaterally assigns and transfers to Lender all of Borrower's rights, privileges, and interests under, in and to the Licenses and Permits, the Project Documents, the Property Benefits, and any Interest Rate Protection Collateral (collectively, the "**Other Assigned Collateral**"), in each case, to the extent the same is assignable pursuant to the terms thereof and pursuant to applicable law.

(b) **Representations and Warranties**. Borrower hereby represents and warrants to Lender that: (i) Borrower has not executed any prior assignment of any of its rights in and to the Other Assigned Collateral; (ii) the Other Assigned Collateral are in full force and effect and unmodified and will not be modified except as may be permitted in the Loan Documents, and there are no defaults, or events which with the giving of notice or passage of time, or both, would constitute a default under any of the Other Assigned Collateral; (iii) to Borrower's knowledge, there are no defaults, or events which with the giving of notice or passage of time, or both, would constitute a default, hereunder or under the Other Assigned Collateral; and (iv) Borrower will not modify, amend, transfer, encumber or terminate the Other Assigned Collateral without Lender's prior written consent, except as may be expressly permitted under this Agreement.

(c) **Conditional License**. For the purposes of and subject to the terms set forth herein, this **Section 8.1** is an absolute, unconditional and presently effective assignment from Borrower to Lender of all of Borrower's rights under, in and to the Other Assigned Collateral. Notwithstanding the foregoing, prior to any Event of Default, Borrower shall, subject to the terms and conditions of this Assignment, have the sole right to use, employ and enforce its rights under the Other Assigned Collateral.

Section 8.2 **Collateral Assignment of Accounts**. To further secure the Obligations, Borrower hereby pledges, transfers and assigns to Lender all of Borrower's right, title and interest in and to the following (the "**Collateral Accounts**"): (i) each of the accounts referenced in **Section 5.7** and **Section 5.8**, together with all monies and other deposits therein along with any renewals, replacements, and substitutions thereto; (ii) all other accounts of Borrower, together with all monies and other deposits therein along with any renewals, replacements, and substitutions thereto; (iii) all notes, certificates of deposit and other instruments or investments from time to time hereafter issued representing the deposits in the foregoing Collateral Accounts or representing any substitution or supplement thereof; (iv) all interest, dividends, cash instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the foregoing, and (v) all proceeds of any or all of the foregoing.

Section 8.3 **General Conditions Relating to Collateral Assignments.**

(a) **Performance.** Borrower will timely observe and perform all obligations, and all covenants, conditions and agreements contained in the Other Assigned Collateral. Borrower will defend the Other Assigned Collateral and the Collateral Accounts against the claims and demands of all other parties; will keep the Other Assigned Collateral and the Collateral Accounts free from all security interests or other encumbrances; will not sell, transfer, assign, deliver or otherwise dispose of any Other Assigned Collateral, the Collateral Accounts, or any interest therein without the prior written consent of Lender; and will not amend or modify any of the Other Assigned Collateral without Lender's prior written consent.

(b) **Notices of Default.** Borrower shall send to Lender any written notice of default or breach of or under the Other Assigned Collateral that Borrower sends to (such notice to Lender to be sent simultaneously therewith) or receives from (such notice to Lender to be sent immediately upon receipt by Borrower thereof) any Person that is a party to any Other Assigned Collateral.

(c) **Enforcement of Lender's Rights.** Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right but not the obligation, and Borrower hereby authorizes Lender, to enforce Borrower's rights under and with respect to the Other Assigned Collateral and the Collateral Accounts, and to receive the performance of any other Person that is a party to the Other Assigned Collateral.

(d) **Power of Attorney.** Borrower hereby irrevocably constitutes and appoints Lender, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority (coupled with an interest) in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time in Lender's discretion, for the purpose of carrying out the terms of this **Article VIII**, and to take all appropriate action and execute all documents and instruments necessary or desirable to accomplish the purposes of this **Article VIII**. The foregoing power shall not be exercisable except after the occurrence and during the continuance of an Event of Default.

(e) **UCC.** Lender's rights and remedies with respect to the Other Assigned Collateral and the Collateral Accounts shall be those of a secured party under the Uniform Commercial Code and under any applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Borrower and Lender. Borrower authorizes Lender to file one or more UCC-1 financing statements (at Borrower's sole cost and expense) as Lender shall determine is necessary to protect and perfect Lender's security interest in the Other Assigned Collateral and the Collateral Accounts.

(f) **No Assumption of Liability.** Notwithstanding any legal presumption to the contrary, Lender shall not be obligated to perform any of Borrower's obligations under the Other Assigned Collateral and Borrower hereby agrees to indemnify Lender and save it harmless from and against any loss, liability or damage in connection with any claim arising therefrom. However, Lender may, at its option, and without releasing Borrower from any obligation hereunder, after the occurrence of an Event of Default and during the continuance thereof, discharge any obligation which Borrower fails to discharge under said Other Assigned Collateral, including, without limitation, defending any legal action, and Borrower agrees to pay immediately upon demand all sums expended by Lender in connection therewith, including reasonable counsel fees, together with interest thereon at the Default Rate, and the same shall be added to the indebtedness evidenced by the Note and secured by the Mortgage.

ARTICLE IX
General Provisions

Section 9.1 **Notices.** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in **Section 9.2** below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail as follows:

If to Borrower:

2611 Corporate West Drive Venture LLC
4225 East Windrose Drive, Suite 200
Phoenix, Arizona 85032
Attention: Troy Anderson

with a copy to:

DLA Piper LLP (US)
555 Mission Street, Suite 2400
San Francisco, California 94105-2933
Attention: Vivek Chavan

If to Guarantor:

Universal Technical Institute, Inc.
4225 East Windrose Drive, Suite 200
Phoenix, Arizona 85032
Attention: Troy Anderson

with a copy to:

DLA Piper LLP (US)
555 Mission Street, Suite 2400
San Francisco, California 94105-2933
Attention: Vivek Chavan

If to Lender:

Valley National Bank
1 North LaSalle Street, Suite 2000
Chicago, Illinois 60602
Attention: Phillip McCaulay, First Vice President

with a copy to:

Much Shelist, P.C.
191 North Wacker Drive
Suite 1800
Chicago, Illinois 60606
Attention: Courtney E. Mayster

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or when delivery shall be refused. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. Notices delivered through electronic communications, to the extent provided in **Section 9.2** below, shall be effective as provided in said **Section 9.2**.

Section 9.2 **Electronic Communications**.

(a) **Electronic Notices**. Lender may agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless Lender otherwise prescribes, notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement),

provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.3 Assignment and Participation

(a) Assignments by Lender. Lender may at any time assign to one or more assignees all or any portion of its rights and obligations under this Agreement.

(b) Participations. Lender may at any time sell participations to any Person (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of the Loan owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) Borrower shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Borrower agrees that each Participant shall be entitled to the benefits of **Sections 3.6** and **3.7** (subject to the requirements and limitations therein) to the same extent as if it were Lender; provided that such Participant shall not be entitled to receive any greater payment under **Sections 3.6** and **3.7**, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(c) Certain Pledges. Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or Federal Home Loan Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(d) Information. Subject to receipt of a non-disclosure agreement in form reasonably acceptable to Borrower, Lender may furnish any information concerning Borrower in its possession from time to time to any assignees and Participants and to prospective assignees and Participants.

(e) Limitations on Assignment. Borrower may not assign this Agreement or the monies due hereunder without the prior written consent of Lender in each instance (and any attempted such assignment without such consent shall be null and void).

(f) Syndication Cooperation. Borrower acknowledges that Lender may syndicate a portion of the Loan to one or more lenders who are not signatories to this Agreement on the date hereof through assignments of portions of the Loan (“**Syndication**”), which Syndication is in addition to the rights of the Lender to assign all of the Loan or participations in the Loan as set forth above, and in connection therewith, Borrower and the Guarantor will take all reasonable actions as the Lender may reasonably request to assist Lender in its Syndication effort. Without limiting the generality of the foregoing, the Borrower and the Guarantor shall at the request of the Lender: (i) in order to aid in such Syndication, meet with such prospective lenders and provide to such prospective lenders on a confidential basis such financial and other information as may be reasonably requested with respect to the Borrower, the Guarantor and the project request, and (ii) in order to effectuate such Syndication, execute such amendments or modifications to the Loan Documents as the Lender may reasonably request in order to effectuate such Syndication, including but not limited to applicable co-lending and agency agreement and Notes payable to each lender taking part in the Syndication in the amount of their respective interest in the Loan, replacing the existing Note, except that Borrower and the Guarantor shall not be obligated to execute any documents or amendment of the Loan Documents that would change the economics of the

terms of the Loan or cause an increase in the Borrower's or Guarantor's obligations or economic risk exposure or a decrease in Borrower's or Guarantor's rights under the Loan Documents, in each case, other than to a de minimis extent. Upon such Syndication, it is understood that the Lender shall act as administrative agent for the benefit of the lenders under the Syndication, pursuant to the terms of the Syndication documentation.

Section 9.4 **Costs and Expenses; Identification .**

(a) **Costs and Expenses .** Borrower shall pay (i) all reasonable expenses incurred by Lender and its Related Parties (including the reasonable fees, charges and disbursements of counsel for Lender), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable expenses incurred by Lender (including the fees, charges and disbursements of any counsel for Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this **Section 9.4(a)**, or (B) in connection with the Loan, including all such reasonable expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) **Indemnification by Borrower .** Borrower shall indemnify Lender and each Related Party of Lender (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by Borrower or any of its subsidiaries, or any environmental liability related in any way to Borrower or any of its subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This **Section 9.4(b)** shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) **Brokers' Fees .** Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of the Loan.

(d) **Payments .** All amounts due under this **Section 9.4** shall be payable not later than thirty (30) days after demand therefor.

(e) **Survival .** Each party's obligations under this **Section 9.4** shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 9.5 **Governing Law; Waivers; Limitations .**

(a) **Governing Law .** This Agreement shall, without regard to place of contract or payment, be construed and enforced according to the laws of the State of Illinois, without giving effect to its principles of conflicts of laws.

(b) Consent to Jurisdiction. Borrower irrevocably submits to the jurisdiction of any Federal or State court sitting in the State where the Property is located over any suit, action or proceeding arising out of or relating to this Agreement or any Loan Document. Borrower hereby agrees that Lender shall have the option in its sole discretion to lay the venue of any such suit, action or proceeding in the Federal or State courts in the State where the Property is located, and irrevocably waives to the fullest extent permitted by law any objection which Borrower may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that any suit, action or proceeding brought in such court has been brought in an inconvenient form. Borrower agrees that a final judgment of any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Borrower.

(c) Service of Process. Borrower hereby irrevocably consents to the service of process in any suit, action or proceeding by sending the same by first class mail, return receipt requested, or by overnight courier service, to the address of Borrower set forth in or referred to in Section 9.1. Borrower hereby agrees that any such service (i) shall be deemed in every respect effective service of process upon it in any such suit, action, or proceeding, and (ii) shall to the fullest extent enforceable by law, be taken and held to be valid personal service upon and personal delivery to it. Nothing in the Loan Documents or any modification, waiver, consent or amendment thereto shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Borrower in the courts of any jurisdiction or jurisdictions.

(d) Substantial Relationship. It is understood and agreed that all of the Loan Documents were negotiated, executed and delivered in the State of Illinois, which State the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

(e) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof.

(f) No Liability for Electronic Communications. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(g) Waiver of Trial By Jury. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(h) Claims Against Lender.

(i) Borrower Must Notify. Lender shall not be in default under this Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter.

Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in **Exhibit C** as Authorized Representatives.

(ii) **Remedies**. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (A) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings; and (B) in the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

(iii) **Limitations**. In no event, however, shall Lender be liable to Borrower or anyone else for other damages such as, but not limited to, indirect, speculative, consequential, or punitive damages whatever the nature of the breach by Lender of its obligations under this Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

Section 9.6 **Records; Authorization and Further Assurances**

(a) **Place for Records; Inspection**. Borrower shall maintain all of its business records at the address specified at the beginning of this Agreement. Upon reasonable prior notice and at reasonable times during normal business hours Lender shall have the right (through such agents or Consultants as Lender may designate) to examine Borrower's property and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with Borrower and any accountants hired by Borrower. Any transferee of the Loan or any holder of a participation interest in the Loan shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Loan or of further participation interests therein.

(b) **Further Assurances**. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note, under the Mortgage and under each of the other Loan Documents.

(c) **Continuing Authority of Authorized Representatives**. Lender is authorized to rely upon the continuing authority of the Authorized Representatives to bind Borrower with respect to all matters pertaining to the Loan and the Loan Documents. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on **Exhibit C**. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

(d) **Replacement Documentation**. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of any Note or any other security document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of any such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor, subject to Borrower receiving appropriate indemnification from Lender in accordance with an indemnity agreement in form and substance reasonably satisfactory to Borrower and Lender.

(e) Place of Delivery . Borrower agrees to furnish to Lender at Lender's office in Chicago, Illinois, all further instruments, certifications and documents to be furnished hereunder.

Section 9.7 **Construction** .

(a) Severability . In the event any one or more of the provisions contained in this Agreement or any other Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Lender, not affect any other provision thereof and instead shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

(b) Headings Descriptive . Section headings have been inserted in this Agreement and the other Loan Documents for convenience only and shall in no way affect the meaning or construction of any provision hereof or thereof.

(c) Counterparts . This Agreement and the other Loan Documents may be executed by one or more of the parties thereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same document. It shall not be necessary in making proof of this Agreement or any other Loan Document to produce or account for more than one counterpart signed by the party to be charged.

(d) Definitions Include Amendments . Definitions contained in this Agreement which identify documents, including the other Loan Documents, shall be deemed to include all amendments and supplements to such documents entered into from time to time with the consent of Lender. Reference to this Agreement or any other Loan Document in any of the other Loan Documents shall be deemed to include all amendments and supplements thereof.

(e) Final Agreement . This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

(f) Effectiveness . Except as provided in **Article II**, this Agreement shall become effective when it shall have been executed by Lender and when Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement and any other Loan Documents by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart thereof.

(g) No Third Party Beneficiaries . This Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

(h) Successors and Assigns . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that, except as may be expressly set forth herein, neither Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Lender.

(i) Survival . All representations, warranties, covenants and agreements of Borrower herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of any Loan Party pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the making of the Loan and each advance pursuant thereto. No review or approval by Lender, or by its Consultants or representatives, of any plans and specifications, opinion letters, certificates by professionals or other item of any nature shall relieve any Loan Party or anyone else of any of the obligations, warranties or representations made by or on behalf of such Loan Party under any one or more of the Loan Documents.

(j) Remedies Cumulative. Each and every right, remedy and power granted to Lender or allowed it by law or other agreement (including this Agreement and the other Loan Documents) shall be cumulative and not exclusive of any other, and may be exercised by Lender at any time and from time to time.

(k) Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which such Loan Party may have at any time against Lender whether in connection with Loan or any unrelated transaction.

(l) Joint and Several Obligations. If more than one party is executing this Agreement or any other Loan Document, each such party shall be the “Borrower”, “Guarantor”, “Mortgagor, or “Assignor”, as the case may be, and all covenants and guarantees made in such Loan Document shall be the joint and several obligations of all such parties, and each representation shall be deemed to have been made by each such party.

(m) Liabilities Unimpaired. The liability of any Loan Party under any Loan Document shall not be limited or impaired by reason of any amendment, waiver or modification of the provisions of any other Loan Document, the release or substitution of any collateral securing the Loan, any transfer of the Property or any part thereof to Lender or its nominee, any failure on the part of Lender to record or otherwise perfect any lien or security interest in any such collateral, any sale or transfer of the Property or any part thereof or any determination that any Loan Document is illegal or unenforceable.

(n) No Oral Change. This Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party’s assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate, extend or otherwise modify this Agreement or any of the other Loan Documents.

(o) Time Of the Essence. Time is of the essence of each provision of this Agreement and each other Loan Document.

Section 9.8 Foreign Assets Control Regulations; USA Patriot Act Notice. Borrower shall comply in all respects with all Anti-Terrorism Laws. Without limiting the foregoing, Borrower will not (i) use the proceeds of the Loan in any manner that will violate any Anti-Terrorism Laws, (ii) become a blocked person described in Section 1 of the Anti-Terrorism Order, (iii) knowingly engage in any dealings or transactions or be otherwise associated with any person who is known by Borrower or who (after such inquiry as may be required by applicable law) should be known by Borrower to be a blocked person, (iv) be or become subject at any time to any applicable law, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (v) fail to provide documentary and other evidence of Borrower’s identity as may be reasonably requested by Lender at any time to enable Lender to verify its identity or to comply with any applicable law, including, without limitation, Section 326 of the Patriot Act. Lender hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with such Act.

Section 9.9 Waiver of Consequential and Punitive Damages. Lender and Borrower hereby knowingly, voluntarily and intentionally waives any right it may have to consequential or punitive damages (unless claimed by a third party) arising out of, under or in connection with the Loan Documents or the transactions contemplated therein. Further, each party hereby certifies to the other that no representative or counsel of such party, has represented, expressly or otherwise, that such party would not, in the event of such litigation, seek to enforce this waiver of consequential and punitive damages (unless claimed by a third party). Each party acknowledges that such party has been induced to make or enter into the Loan by, inter alia, the provisions of this paragraph.

Section 9.10 **Anti-Money Laundering/International Trade Law Compliance**. Borrower represents and warrants to the Lender, as of the date of this Agreement, the date of each advance of proceeds under this Agreement, the date of any renewal, extension or modification of this Agreement or any other Loan Document, and at all times until this Agreement has been terminated and all amounts thereunder and under the other Loan Documents have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Loan will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay the Loan are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Borrower covenants and agrees that it shall immediately notify the Lender in writing upon the occurrence of a Reportable Compliance Event.

As used herein: “ **Anti-Terrorism Laws** ” means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, all as amended, supplemented or replaced from time to time; “ **Compliance Authority** ” means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; “ **Covered Entity** ” means Borrower, its affiliates and subsidiaries, all Credit Parties and other guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of Borrower acting in any capacity in connection with the Loan; “ **Reportable Compliance Event** ” means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; “ **Sanctioned Country** ” means a country subject to a sanctions program maintained by any Compliance Authority; and “ **Sanctioned Person** ” means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

Section 9.11 **Limitation of Liability**. Notwithstanding anything to the contrary herein, or in any Loan Document, without impairing the obligations of any party under the Guaranty or the Environmental Indemnity, Lender hereby acknowledges and agrees that no direct or indirect partner, member, manager, constituent owner, investor, advisor or shareholder of Borrower or Guarantor shall be personally liable for the performance or the obligations of, or in respect of any claims against, Borrower or Guarantor (other than Guarantor under the Guaranty and the Environmental Indemnity) arising under this Agreement or any of the Loan Documents.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF , this Loan Agreement has been duly executed and delivered as of the date first written above.

2611 CORPORATE WEST DRIVE VENTURE LLC , a Delaware limited liability company

By: _____
Name: _____
Title: _____

VALLEY NATIONAL BANK ,
a national banking association

By: _____
Name: _____
Title: _____

Exhibit "A"

Description of Property

LOTS 1 IN THE FINAL PLAT OF SUBDIVISION OF CORPORATE WEST UNIT THREE RESUBDIVISION, BEING A SUBDIVISION OF PARTS OF SECTION 4, TOWNSHIP 38 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 5, 2013 IN THE RECORDER'S OFFICE OF DUPAGE COUNTY, ILLINOIS AS DOCUMENT NUMBER R2013-019199.

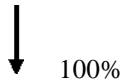
PROPERTY ADDRESS: 2611 CORPORATE WEST DRIVE, LISLE, ILLINOIS 60532

PIN = 08-04-101-019

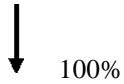
Exhibit "B"

Organizational Chart/Schedule of Ownership Interests

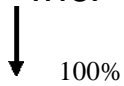
No members owning 20% or more individually



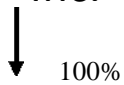
Universal Technical Institute Inc.
Publicly Traded Company



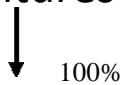
UTI Holdings
Inc.



U.T.I of Illinois,
Inc.



Universal Technical Institute
Ventures LLC



2611 Corporate West Drive
Venture LLC

Exhibit "C"

Schedule of Authorized Representatives

Troy Anderson

12842851_9

Schedule 1

Schedule of Principal Payments

12842851_9

GUARANTY

This **GUARANTY** (this “**Guaranty**”) dated as of April 14, 2022, is made by is made by **UNIVERSAL TECHNICAL INSTITUTE, INC .**, a Delaware corporation (the “**Guarantor**”), to **VALLEY NATIONAL BANK** (together with its participants, successors and/or assigns, the “**Lender**”).

RECITALS :

WHEREAS , the Lender has made to **2611 CORPORATE WEST DRIVE VENTURE LLC** , a Delaware limited liability company (the “**Borrower**”) a certain mortgage loan in the principal amount of \$38,000,000.00 (the “**Loan**”)

WHEREAS , the Loan is evidenced by a certain Term Note (as the same may be hereafter amended or supplemented from time to time, the “**Note**”) advanced pursuant to that certain Loan Agreement dated the date hereof between the Borrower and the Lender (as the same may be hereafter amended or supplemented from time to time, the “**Loan Agreement**”), and secured, inter alia, by that certain Mortgage and Security Agreement dated the date hereof in the principal amount of \$38,000,000.00 made by the Borrower to the Lender (as the same may be hereafter amended or supplemented from time to time, the “**Mortgage**”), encumbering the real property located at 2611 Corporate West Drive, Lisle, Illinois 60532 (the “**Premises**”);

WHEREAS , as a condition to the Lender making the Loan to the Borrower, the Guarantor is obligated to execute and deliver this Guaranty to the Lender, and the Lender is unwilling to make the Loan unless this Guaranty is so delivered by the Guarantor;

WHEREAS , Guarantor is an owner of a direct or indirect interest in Borrower and will directly benefit from Lender making the Loan to Borrower; and

WHEREAS , any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement, the Mortgage and/or the Note.

NOW, THEREFORE , in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in order to induce the Lender to make the Loan to the Borrower, the Guarantor hereby agrees for the benefit of the Lender as follows:

1. Guaranty

(a) The Guarantor absolutely, irrevocably and unconditionally, guarantees to the Lender the prompt performance and payment when due, whether by acceleration or otherwise, of (i) any and all Guaranteed Obligations (hereafter defined) of Borrower to Lender, in the aggregate at any one time outstanding plus all interest thereon, and (ii) all attorneys’ fees, costs and expenses incurred by Lender in enforcing any of such Guaranteed Obligations and/or this Guaranty or collecting against Guarantor under this Guaranty. This is a guaranty of payment and not of collection. Lender shall not be obligated to make any request or demand upon or to pursue any of its rights against Borrower or any other person who may be liable for the payment of the Guaranteed Obligations, or to pursue any collateral security therefor, as a condition of Guarantor’s liability hereunder. If Borrower fails to pay when due or otherwise defaults under any Guaranteed Obligations, Guarantor will pay such Guaranteed Obligations to Lender.

The term “**Guaranteed Obligations**” shall include , all liabilities, loans, advances, debts, obligations, covenants and duties of any kind or nature owing by

Borrower to Lender and arising under the Loan Agreement or any of the Loan Documents, whether direct or indirect, absolute or contingent, joint, several or independent, secured or unsecured, liquidated or unliquidated, contractual or tortious of Borrower now or hereafter existing, due or to become due to, or held or to be held by, Lender for its own account or as agent for another or others, whether created directly or acquired by assignment or otherwise, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of Lender to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of Lender's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements, including, without limitation, any exposure of Borrower to Lender under Lender's commercial card program, (v) arising from any amendments, extensions, renewals and increases of or to any of the foregoing. In the event a petition under the United States Bankruptcy Code is filed by or against Borrower, the term "Borrower" shall also mean and include Borrower in its status as a debtor, debtor-in-possession and/or reorganized debtor, or (vi) all Interest Rate Protection Obligations.

(b) Notwithstanding anything to the contrary contained herein, the definition of "Guaranteed Obligations" shall specifically exclude any and all Excluded Swap Obligations and Excluded Interest Rate Protection Obligations. The foregoing limitation of the definition of Guaranteed Obligations shall be deemed applicable only to the obligations of Guarantor (or solely any particular Guarantor(s) if there is more than one Guarantor) under the particular Swap (or Swaps), or, if arising under a master agreement governing more than one Swap, the portion thereof that constitute Excluded Swap Obligations. As used herein, (i) "**Excluded Swap Obligations**" means, with respect to Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap if, and to the extent that, all or any portion of this Guaranty that relates to the obligations under such Swap is or becomes illegal as to such Guarantor under the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute (the "**CEA**"), or any rule, regulation, or order of the Commodity Futures Trading Commission (the "**CFTC**"), by virtue of such Guarantor's failure for any reason to qualify as an "eligible contract participant" (as defined in the CEA and regulations promulgated thereunder) on the Eligibility Date for such Swap; (ii) "**Eligibility Date**" means the date on which this Guaranty becomes effective with respect to the particular Swap (for the avoidance of doubt, the Eligibility Date shall be the date of the execution of the particular Swap if this Guaranty is then in effect, and otherwise it shall be the date of execution and delivery of this Guaranty); and (iii) "**Swap**" means any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder between Borrower and Lender, other than (A) a swap entered into on, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (B) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

2. Representations and Warranties

The Guarantor represents and warrants to the Lender that:

(a) **Power and Authority**. The Guarantor has the full power and authority to execute and deliver this Guaranty and to perform its obligations hereunder; the execution, delivery and performance of this Guaranty by the Guarantor has been duly and validly authorized; and all requisite action has been taken by the Guarantor to make this Guaranty valid and binding upon such Guarantor and enforceable in accordance with its terms.

(b) Binding Agreement. This Guaranty constitutes the valid and legally binding obligations of Guarantor and is enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally.

(c) Litigation. There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority (whether purportedly on behalf of the Guarantor) pending or, to the knowledge of the Guarantor, threatened against Guarantor, which, if adversely determined, could be expected to have a Material Adverse Effect, call into question the validity or enforceability of this Guaranty, or could be expected to result in the rescission, termination or cancellation of any material franchise, right, license, permit or similar authorization held by the Guarantor.

(d) Required Consents. All consents, approvals and authorizations, if any, required for the execution, delivery and performance of this Guaranty have been obtained, and no other consent, authorization or approval of, filing with, notice to, or exemption by, any Governmental Authority or other Person (except for those which have been obtained, made or given) is required to authorize, or is required in connection with, the execution, delivery and performance of this Guaranty or is required as a condition to the validity or enforceability of this Guaranty. No provision of any applicable statute, law (including, without limitation, any applicable usury or similar law), rule or regulation of any Governmental Authority prevents the execution, delivery or performance of, or affects the validity of, this Guaranty.

(e) No Conflicting Agreement. The Guarantor is not in default under any mortgage, indenture, contract or agreement to which it is a party or by which it or any of its properties is bound. The execution, delivery or carrying out of the terms of this Guaranty will not result in the breach of any term or provision of any of the Guarantor's organizational documents or constitute a default under, or result in the creation or imposition of, or obligation to create, any lien or other encumbrance upon any property of Guarantor or result in a breach of or require the mandatory repayment of or other acceleration of payment under or pursuant to the terms of any such mortgage, indenture, contract or agreement.

(f) Compliance with Applicable Laws. Guarantor is not in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority. The Guarantor is complying in all material respects with all laws, statutes, regulations, rules and orders applicable to the Guarantor of all Governmental Authorities.

3. Covenants

The Guarantor covenants and agrees that:

(a) Reimbursement. The Guarantor shall, promptly upon demand by the Lender, pay to the Lender and/or reimburse the Lender and/or perform as directed by the Lender, in respect of all Guaranteed Obligations or other agreements herein, in such manner and at such time as the Lender shall require.

(b) Specific Performance. In the event that the Guarantor does not timely pay or perform any of its obligations under this Guaranty, the Lender may pay or perform said obligations at the expense of the Guarantor. The failure of the Guarantor to so pay or perform any of its obligations under this Guaranty shall constitute a default hereunder, and the Lender, shall have the option to require specific performance by the Guarantor of any of said obligations hereunder, in addition to any other rights or remedies hereunder, under the other Loan Documents or at law or in equity. Any amounts expended by the Lender in the exercise of any

rights of the Lender hereunder shall be paid to the Lender promptly upon demand, and until paid shall accrue interest at the Default Rate.

4. Unconditional and Continuing Nature of Guaranty

(a) **Unconditional Guaranty**. The obligations of Guarantor hereunder, if more than one, are joint and several, absolute and unconditional, under all circumstances and irrespective of the genuineness, validity, regularity, discharge, release or enforceability of the Guaranteed Obligations, or of any instrument evidencing any of the Guaranteed Obligations or of any collateral therefor or of the existence or extent of such collateral or of the obligations of the Guarantor under this Guaranty.

(b) **Modification of Agreements**. The Guarantor agrees that the Lender may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of, exchange, release, substitute or surrender any collateral for, renew or extend, or change the amount of, any of the Guaranteed Obligations or increase the interest rate thereon, and may also make any agreement with the Borrower or with any other party to or person liable on any of the Guaranteed Obligations, or any guarantor of or hypothecator of collateral or other surety for any of the Guaranteed Obligations or interest therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Lender and the Borrower or any such other party or person, without in any way impairing or affecting this Guaranty.

(c) **Continuing Guaranty**. This is a continuing guaranty and shall remain in full force and effect and be binding upon the Guarantor and the Guarantor's successors and assigns until all of the conditions set forth in **subsection (e)** below have been satisfied. If any of the present or future Guaranteed Obligations are guaranteed by persons, partnerships, limited liability companies or corporations in addition to the Guarantor, the death, release or discharge in whole or in part, or the bankruptcy, liquidation or dissolution, of one or more of them shall not discharge or affect the obligations of the Guarantor under this Guaranty. In addition, the death, release or discharge in whole or in part, or the bankruptcy, liquidation or dissolution, of any of the Persons comprising the Guarantor shall not discharge or affect the liabilities of any of the other Persons comprising the Guarantor under this Guaranty.

(d) **Guaranty of Payment**. This Guaranty is a guaranty of payment and not of collection, and the Lender shall be under no obligation to take any action against the Borrower or the Guarantor, individually or collectively, or any other person liable with respect to any of the Guaranteed Obligations or resort to any collateral security securing any of the Guaranteed Obligations or this Guaranty as a condition precedent to the Guarantor being obligated to make payment and perform as agreed herein.

(e) **No Release**. Until the later to occur of (i) the indefeasible repayment in full of the Loan and all other sums due in connection therewith and the termination of the Mortgage, and (ii) the indefeasible payment and performance by the Guarantor of all of their obligations hereunder, the liability of the Guarantor under this Guaranty shall not be released.

5. Reinstatement

This Guaranty shall continue to be effective or shall be reinstated, as the case may be, if at any time payment of all or any part of any payment of the Guaranteed Obligations is rescinded or must be restored or returned by the Lender whether under any reorganization, bankruptcy, receivership or insolvency proceeding or otherwise; and the Guarantor agrees that it will indemnify the Lender on demand for all costs and expenses (including, without limitation, fees

and expenses of counsel) incurred by the Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

6. Waivers

The Guarantor hereby waives for the benefit of the Lender:

(a) Waiver of Notice, Presentment. Notice of the acceptance of this Guaranty and of the making of the Loan or extensions of credit or the incurrence of any other obligation by the Borrower pursuant to the Loan Documents, presentment to or demand of payment from anyone whosoever liable upon the Indebtedness or any of the Guaranteed Obligations, protest, notice of presentment, non-payment or protest and notice of any sale of collateral security or any default of any sort;

(b) Waiver of Claims. Any rights to claim or interpose any defense, counterclaim or offset of any nature and description which it may have or which may exist between and among the Lender, the Borrower and/or the Guarantor or to seek injunctive relief. The failure of Lender to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent Lender from insisting upon strict compliance with this Agreement at any time thereafter;

(c) Subrogation. Until such time as the Lender shall have been indefeasibly paid in full all of the Indebtedness and the Guaranteed Obligations, the Guarantor waives any rights to be subrogated to the rights of the Lender with respect to the Guaranteed Obligations and the Guarantor waives any right to (and the Guarantor agrees that it will not institute or take any action against the Borrower seeking) contribution, reimbursement or indemnification by the Borrower with respect to any payments made by the Guarantor to the Lender; and

(d) Other Defenses. Any defense or benefits that may be derived from or afforded by laws which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guaranty.

7. Setoff

Guarantor hereby authorizes Lender, at any time and from time to time, without notice, which is hereby expressly waived by Guarantor, and whether or not an Event of Default shall have occurred or Lender shall have declared the Guaranteed Obligations to be due and payable in accordance with the terms hereof (i) to set off against, and to appropriate and apply to the payment of Guarantor's obligations and liabilities under this Guaranty (whether matured or unmatured, fixed or contingent, liquidated or unliquidated), any and all amounts owing by Lender to Guarantor (whether payable in U.S. dollars or any other currency, whether matured or unmatured, and in the case of deposits, whether general or special (except trust and escrow accounts), time or demand and however evidenced) and (ii) pending any such action, to the extent necessary, to hold such amounts as collateral to secure such obligations and liabilities and to return as unpaid for insufficient funds any and all checks and other items drawn against any deposits so held as Lender, in its sole discretion, may elect. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of a demand for payment of the Guaranteed Obligations hereunder without any action of Lender, although Lender may enter such setoff on its books and records at a later time.

No failure by Lender to file, record or otherwise perfect any lien or security interest, nor any improper filing or recording, nor any failure by Lender to insure or protect any security nor

any other dealing (or failure to deal) with any security by Lender, shall impair or release the obligations of Guarantor hereunder.

8. Miscellaneous

(a) Successors and Assigns. This Guaranty shall bind the undersigned, its legal representatives, successors, and assigns and shall inure to the benefit of the Lender and its participants, successors and assigns.

(b) Enforcement of Loan Documents. The obligations of the undersigned are in addition to, and not in diminution of, the obligations of the Borrower and the Guarantor under any other Loan Document. No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right, remedy or power hereunder or under any other Loan Document preclude any other or future exercise thereof or the exercise of any other right, remedy or power.

(c) Liabilities Unimpaired. The liability of the Guarantor under this Guaranty shall not be limited or impaired by reason of any amendment, waiver or modification of the provisions of any Loan Document, the release or substitution of any collateral securing the Loan, any transfer of the Premises or any part thereof to the Lender or its nominee, any failure on the part of the Lender to record or otherwise perfect, or any impairment of, any lien or security interest in any such collateral, any sale or transfer of the Premises or any part thereof or any determination that any Loan Document is illegal or unenforceable.

(d) Guarantor's Acknowledgements. The Guarantor hereby acknowledges (i) receipt and approval of the Loan Agreement, the Mortgage and all other Loan Documents, and (ii) it has derived or expects to derive a financial or other benefit from each and every obligation incurred by the Borrower to the Lender under or pursuant to the Loan Agreement, the Mortgage and the other Loan Documents.

(e) Assignment. This Guaranty may be assigned by the Lender in connection with an assignment of the Loan and its benefits shall inure to any such assignee.

(f) Post Default Interest. The Guarantor agrees that any of the Guaranteed Obligations which are not paid on demand shall accrue interest at the Default Rate until paid in full, all such interest being payable to the Lender on demand.

(g) Governing Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of Illinois without regard to principles of conflict of laws.

(h) Headings Descriptive. Section headings have been inserted in this Guaranty for convenience only and shall not in any way affect the meaning or construction of any provision hereof.

(i) Severability. Every provision of this Guaranty is intended to be severable, and if any term or provision thereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

(j) Remedies Cumulative. Each and every right, remedy and power granted to the Lender or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the Lender at any time and from time to time.

(k) Consent to Jurisdiction. The Guarantor hereby irrevocably submits to the jurisdiction of any State or Federal court sitting in the State where the Premises is located over any suit, action or proceeding arising out of or relating to the Loan Documents. The Guarantor hereby agrees that the Lender shall have the option in its sole discretion to lay the venue of any such suit, action or proceeding in the Federal or State courts in the State where the Premises is located and hereby irrevocably waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Guarantor hereby agrees that a final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon it.

(l) Waiver of Trial by Jury. THE GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY. FURTHER, THE GUARANTOR CERTIFIES THAT NO REPRESENTATIVE OF THE LENDER, OR COUNSEL TO THE LENDER, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. THE GUARANTOR HEREBY ACKNOWLEDGES THAT THE LENDER HAS BEEN INDUCED TO ACCEPT THIS GUARANTY BY, INTER ALIA, THE PROVISIONS OF THIS SECTION.

(m) Entire Agreement. This Guaranty contains the entire agreement and understanding between the Lender and the Guarantor with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

(n) Amendments. This Guaranty may not be amended, and compliance with its terms may not be waived, orally or by course of dealing, but only by a writing signed by an authorized officer of the Lender.

(o) Notices. All notices, requests and demands to or upon the Guarantor or the Lender shall be in writing and shall be deemed to have been duly given or served for all purposes if delivered or served in accordance the terms of the Loan Agreement.

(p) Expenses. If any suit or proceeding is instituted by the Lender for the enforcement of any of the provisions of this Guaranty, the Guarantor shall pay to the Lender within ten (10) days after demand all expenses of the Lender (including attorneys' fees and disbursements) in connection with such suit or proceeding, and until such expenses are paid, the same shall accrue interest at the Default Rate. The obligations of the Guarantor under this paragraph shall survive any termination of Guarantor's other obligations under this Guaranty.

(q) Joint and Several Obligations. If more than one party is executing this Guaranty, each such party shall be a "Guarantor" hereunder, all covenants and guarantees made herein shall be the joint and several obligations of all such parties, and each representation of the "Guarantor" herein shall be deemed to have been made by each such party.

(r) Counterparts. This Guaranty, if executed by more than one party, may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of any such counterpart to produce or

account for more than one counterpart signed by the party to be charged. Delivery of any executed counterpart of this Guaranty by electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Guarantor acknowledges that information and documents relating to this Guaranty and the credit accommodations provided for herein may be transmitted through electronic means.

(s) **Further Assurances: Corrections of Defects**. The Guarantor, intending to be legally bound hereby, agrees to promptly correct any defect, error or omission, upon the request of the Lender, which may be discovered in the contents of this Guaranty or any other document evidencing or securing the Guaranteed Obligations, or in the execution or acknowledgement hereof, and the Guarantor will execute, or re-execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by the Lender to satisfy the terms and conditions of this Guaranty, and all documents executed in connection therewith, including but not limited to the recording, filing or perfecting of any document given for securing and perfecting liens, mortgages, security interests and interests to secure the Guaranteed Obligations. Notwithstanding the foregoing, the Lender may modify this Guaranty for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Lender shall send a copy of any such modification to the Guarantor (which may be sent by electronic mail).

9. Financial Information.

As soon as available, but in any event within forty five (45) days after filing, each Guarantor hereby agrees to furnish to the Lender the form 10-Q filed with the SEC and sixty (60) days after filing, the form 10K filed with the SEC.

10. Limitation on Liability. Notwithstanding anything to the contrary herein, or in any Loan Document, without impairing the obligations of any party under the Guaranty or the Environmental Indemnity, Lender hereby acknowledges and agrees that no direct or indirect partner, member, manager, constituent owner, investor, advisor or shareholder of Borrower or Guarantor shall be personally liable for the performance or the obligations of, or in respect of any claims against, Borrower or Guarantor (other than Guarantor under the Guaranty and the Environmental Indemnity) arising under any of the Loan Documents.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF , the Guarantor has duly executed and entered into this Guaranty as of the day and year first above written.

GUARANTOR :

UNIVERSAL TECHNICAL INSTITUTE, INC. , a Delaware corporation

By:
Name:
Title: _____

[Signature Page to Guaranty]

**Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jerome A. Grant, certify that:

1. I have reviewed this Report on Form 10-Q of Universal Technical Institute, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Jerome A. Grant

Jerome A. Grant

Chief Executive Officer

(Principal Executive Officer)

**Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Troy R. Anderson, certify that:

1. I have reviewed this Report on Form 10-Q of Universal Technical Institute, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Troy R. Anderson

Troy R. Anderson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**Certification of CEO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Universal Technical Institute, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jerome A. Grant, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2022

/s/ Jerome A. Grant

Jerome A. Grant

Chief Executive Officer

(Principal Executive Officer)

This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Universal Technical Institute, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.

**Certification of CFO Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Universal Technical Institute, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Troy R. Anderson, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2022

/s/ Troy R. Anderson

Troy R. Anderson

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Universal Technical Institute, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.