

APPENDIX A

NOTICE OF INTENTION TO ENTER INTO A LEASE-PURCHASE CONTRACT FOR THE USE OF REAL PROPERTY

NOTICE IS HEREBY GIVEN, in accordance with Section 271.004, Texas Local Government Code (the "Act"), that the Board of Regents (the "Board") of the North Central Texas Community College District (the "District") will consider approval of a lease-purchase contract or other instrument (the "Lease-Purchase Contract") with NCCD-North Central Properties, LLC (the "Lessor"), a single member nonprofit Texas limited liability company and wholly-owned subsidiary of National Campus and Community Development Corporation, Inc., for the District's use or purchase or other acquisition of real property or improvements to real property, as more fully described below (the "Project").

The Project will consist of the District's lease of one or more buildings and other improvements containing approximately 45,214 square feet of classroom and related administrative and student support space on land located at 314-318 East Hickory Street, Denton, Texas 76201 (such buildings, improvements and land collectively constituting the "Leased Property"). The District will have no obligation to make payments under the Lease-Purchase Contract before the District accepts the Leased Property for the District's occupancy thereof, and the Lease-Purchase Contract will have a term of twenty-five (25) years. The Lease-Purchase Contract will contain an option for the District to purchase the Leased Property prior to the end of the Lease-Purchase Contract's term and at the end of the Lease-Purchase Contract's term. The total cost of the Project is currently estimated to be not more than \$33,366,978.

The Leased Property will be subject to a mortgage and foreclosure in the event the District fails to make payments under the Lease-Purchase Contract. Legal title to the Leased Property will be retained by the Lessor until the District has made all of the payments due under the Lease-Purchase Contract. The Lease-Purchase Contract shall be payable from available funds of the District, subject to annual appropriation by the District. The Lessor anticipates financing its obligations under the Lease-Purchase Contract by borrowing the proceeds of bonds to be issued by a governmental instrumentality or similar issuer and secured by the District's payments under the Lease-Purchase Contract. The District will enter into a continuing disclosure undertaking in connection with the issuance of such bonds.

The Board intends to consider matters related to the approval of the Lease-Purchase Contract no earlier than the 60th day after the date of publication of this Notice. In accordance with the Act, if, within 60 days of the date of publication of this Notice, a written petition signed by at least five percent (5%) of the registered voters of the District is filed with the Board requesting that the Board order a referendum on the question of whether the Lease-Purchase Contract should be approved, the Board may not approve the Lease-Purchase Contract unless the question is approved by a majority of the votes received in a referendum ordered and held on the question.