



## **Campus Crest, Harrison Street Execute Student Housing JV Operating Agreement**

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**Campus Crest Properties, LLC**, a subsidiary of Charlotte, NC-based **Campus Crest Communities, Inc.**, and an affiliate of **Harrison Street Real Estate Capital (HSRE)** have executed an operating agreement for the formation of **HSRE-Campus Crest IV, LLC**, a newly-formed joint venture formed to acquire, develop, operate and manage student housing properties in separate pools comprised of student housing properties that are expected to be completed in the same academic year.

The terms of the agreement maintain that Campus Crest and HSRE own a 20 percent and 80 percent membership interest, respectively, in the Joint Venture.

**Campus Crest Properties** will be responsible for the day-to-day management of the Joint Venture's business and affairs. The distributions of Joint Venture cash flows and capital proceeds allocable to affiliates of the Company increase as certain performance thresholds are achieved. In addition, affiliates of the Company will earn development, construction and management fees for the development and management of the properties developed through the Joint Venture.

The Agreement also provides for the reimbursement of a portion of Campus Crest Properties' overhead relating to each property developed by the Joint Venture.

Pursuant to the terms of the Agreement, under certain circumstances, Campus Crest Properties will be responsible for funding the amount by which actual development costs for a property pursued by the Joint Venture exceed the budgeted development costs of such property.

The acquisition or development of a student housing property by the Joint Venture is subject to certain funding conditions, including the execution by an affiliate of the Company of a Non-Competition and Right of First Opportunity Agreement, whereby an affiliate of the Company grants to the Joint Venture a right of first opportunity to develop all future student housing development opportunities identified by the Company and chosen by the Company to be funded in part with equity investments by an unaffiliated third party. The Agreement may be terminated upon the occurrence of certain events, including an event of default under any loan document relating to Joint Venture properties.