



**Board of Trustees  
Finance and Facilities Committee Meeting  
September 24, 2015  
11:00 a.m. – 12:00 p.m.  
FAIRWINDS Alumni Center  
Conference call in phone number 800-442-5794, passcode 463796**

**AGENDA**

- |  |  |
|--|--|
| <b>I. CALL TO ORDER</b>  | Alex Martins<br><i>Chair, Finance and Facilities Committee</i>   |
| <b>II. ROLL CALL</b>   | Tracy D. Slavik<br><i>Coordinator, Administrative Services<br/>for Administration and Finance Division</i>   |
| <b>III. MEETING MINUTES</b>  | Chair Martins  |
| <ul style="list-style-type: none"><li>• Approval of the July 23, 2015,<br/>Finance and Facilities Committee<br/>meeting minutes</li></ul>            |  |
| <b>IV. NEW BUSINESS</b>  | Chair Martins  |
| <ul style="list-style-type: none"><li>• Market Tuition Rate Proposals (FFC-1)</li></ul>  | Diane Z. Chase<br><i>Vice Provost for Academic Program Quality</i>   |
| <ul style="list-style-type: none"><li>• Revision to University Regulation<br/>UCF-7.130 Administration and<br/>Finance; Purchasing (FFC-2)</li></ul> | William F. Merck II<br><i>Vice President for Administration<br/>and Finance and Chief Financial Officer</i><br>W. Scott Cole<br><i>Vice President and General Counsel</i><br>Youndy C. Cook<br><i>Deputy General Counsel</i> |

- Minor Amendment to 2015 Campus Master Plan—Laboratory and Environmental Support Facility Expansion (FFC-3) William F. Merck II  
Lee Kernek  
*Associate Vice President for Administration and Finance*
- Refinancing of UCF Stadium Corporation Certificates of Participation Series 2006A and B (FFC-4) William F. Merck II  
John C. Pittman  
*Associate Vice President for Administration and Finance, Debt Management*
- Acquisition of Partnership IV Facility From Leidos and Cowperwood (FFC-5) William F. Merck II
- University Operating Budget Report Quarter Ended June 30, 2015 (INFO-1) William F. Merck II  
Tracy Clark  
*Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance*
- UCF Investments Quarterly Report Ended June 30, 2015 (INFO-2) William F. Merck II  
Tracy Clark
- University and DSO Debt Report (INFO-3) William F. Merck II  
John C. Pittman
- 2016 Revised Finance and Facilities Committee Meeting Dates (INFO-4) William F. Merck II

**V. OTHER BUSINESS**

Chair Martins

**VI. CLOSING COMMENTS**

Chair Martins



Board of Trustees  
Finance and Facilities Committee Meeting  
Fairwinds Alumni Center  
July 23, 2015

**MINUTES**

**CALL TO ORDER**

Trustee Marcos Marchena, chair of the Finance and Facilities Committee, called the meeting to order at 10:30 a.m. Committee members Robert Garvy and Cait Zona were present. Committee members Jim Atchison and Keith Koons attended by teleconference. Trustees Clarence Brown, Richard Crotty, Olga Calvet, and Beverly Seay were present.

**JOINT SESSION**

The Finance and Facilities Committee joined the Educational Programs Committee meeting already in progress.

UCF Downtown Update (INFO-1)

Dale Whittaker, Provost and Executive Vice President, and William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, gave an update on the status of the UCF Downtown Campus and discussed the upcoming steps for the project.

**END OF JOINT SESSION – 11:00 a.m.**

**MINUTES APPROVAL**

The minutes of the May 21, 2015, and June 15, 2015, Finance and Facilities Committee meetings were approved as submitted.

**NEW BUSINESS**

Revised 2015-16 University Operating Budget (FFC-1)

Merck and Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, presented the revised operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas. Because the legislature had not yet come to agreement on the state budget at the May Finance and Facilities Committee meeting, proposed budgets were presented for approval at that time. Now that the General Appropriations Act for 2015-16 has been approved by the governor, revised budgets were presented to the committee. The committee unanimously approved the 2015-16 Revised University Operating Budget as presented.

2015-16 College of Medicine Self-insurance Program Budget (FFC-2)

Deborah German, Vice President for Medical Affairs and Dean of the College of Medicine, David Noel, Vice President for Administration and Finance for the College of Medicine, and Steve Omli, Director of Finance and Accounting for the College of Medicine, discussed the 2015-16 College of Medicine Self-insurance Program budget. The Self-insurance Program provides comprehensive professional and general liability protection in connection with the delivery of health care services in the College of Medicine, College of Nursing, College of Health and Public Affairs, UCF Health Services, and Counseling and Psychological Services. The committee unanimously approved the 2015-16 Self-insurance Program budget as presented.

2015-16 College of Medicine Faculty Practice Plan Budget (FFC-3)

German, Noel, and Omli presented the 2015-16 College of Medicine Faculty Practice Plan budget. The College of Medicine's Faculty Practice Plan, UCF-Health, operates a clinic on University Boulevard that provides multi-specialty care to the community, and in Spring 2015 a second location opened in the Gateway building at the Lake Nona Health Sciences Campus. The committee unanimously approved the 2015-16 Faculty Practice Plan budget as presented.

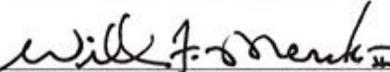
UCF Investment Policy and Manual (FFC-4)

Merck and Clark presented revisions to the UCF Investment Policy and Manual that updated the content to reflect the university's current investment methods and procedures. The committee unanimously approved the UCF Investment Policy and Manual as presented.

Refinancing of the UCF Stadium Corporation Series 2006 A and B Certificates of Participation (INFO-2)

Merck and John Pittman, Associate Vice President for Administration and Finance, Debt Management, informed the committee of the probability of refinancing the UCF Stadium Corporation Series 2006 A and B Certificates of Participation. A refinancing plan will be provided to the committee for their approval at a future meeting.

Chair Marchena adjourned the Finance and Facilities Committee meeting at 11:47 a.m.

Respectfully submitted:   
William F. Merck II  
Vice President for Administration and Finance  
and Chief Financial Officer

9-4-15  
Date

ITEM: FFC-1

University of Central Florida  
Board of Trustees  
Finance and Facilities Committee

**SUBJECT:** Market Tuition Rate Proposals

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Approval of the request to establish market tuition rates.

**BACKGROUND INFORMATION**

Pursuant to Regulation 7.001(15), a university Board of Trustees may submit market tuition rate proposals for the Board of Governors' approval.

The College of Health and Public Affairs requests approval to establish market tuition rates for the Executive Master of Science in Health Services Administration degree program. The College of Engineering and Computer Science requests approval to establish a market tuition rate for the Industrial Engineering Master of Science—Healthcare Systems Engineering track.

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**Supporting documentation:** Market Tuition Proposal, Executive Master of Science in Health Services Administration (Attachment A)  
Market Tuition Proposal, Industrial Engineering Master of Science—Healthcare Systems Engineering Track (Attachment B)

**Prepared by:** Diane Z. Chase, Vice Provost for Academic Program Quality

**Submitted by:** Diane Z. Chase, Vice Provost for Academic Program Quality

Finance and Facilities Committee Meeting - New Business

Attachment A  
State University System  
Market Tuition Proposals

University: University of Central Florida		Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5
1	Degree Program	Executive Master of Science in Health Services Administration				
2	CIP Code	51				
3	Has the program been approved pursuant to Regulation	Yes				
4	Does the program lead to initial licensing or certification?	No				
5	Is the program identified as a state critical workforce need?	Yes				
6	Are the program's admission & graduation requirements the same as other programs?	No				
7	Current Tuition Rate (enter the per credit hour rate)	\$833				
8	Proposed Market Tuition Rate (enter the per credit hour rate)	\$833				
9	Different Market Tuition Rate for Resident vs. Non-Resident Student? If yes, list the per credit hour rate.	No				
10	5 Other Public/Private Rates for Similar Program (per credit hour):					
11	University name and rate:	North Carolina - Chapel Hill - \$1,337				
12	University name and rate:	University of Minnesota - \$1,357				
13	University name and rate:	International University - \$1,238				
14	University name and rate:	University of Colorado - \$1,063				
15	University name and rate:	Alabama Birmingham - \$860				
16	Length of Program (Student Credit Hours)	44				
17	Current E&G Student Enrollment (Headcount):					
18	Resident	38				
19	Non-Resident	0				
20	Total	38				
21	Similar Program at other SUS Institutions (if yes, provide university and program name)	Yes				
22	Florida International University, Healthcare MBA	Yes				
23	University and program name:	n/a				
24	University and program name:	n/a				
25	University and program name:	n/a				

Attachment A  
**State University System**  
**Florida Board of Governors**  
**Request to Establish Market Tuition Rates – Regulation 7.001(15)**

**University:** University of Central Florida

**Proposed Market Tuition Program:** Executive Master of Science in Health Services Administration

Date	
University Board of Trustees approval date:	
Proposed Implementation Date (month/year):	August 2015
Graduate online or Graduate Continuing Ed. Course:	Graduate online
CIP Code:	51.000
Description of the Program and the Market Tuition Rate Process	
<p><i>Description of the Program</i></p> <p>The master of science degree in executive health services administration (executive HSA) program is a 24-month cohort program that is offered completely online to health care professionals. The online delivery format offers flexibility and convenience to working professionals. This program is designed for self-motivated, experienced health services professionals with a minimum of three years of relevant professional experience, including managers, mid-career professionals, and clinicians. The program emphasizes innovation and entrepreneurship in the health care industry and will equip students with knowledge that can aid in lateral and upward movement in their career within the health care industry.</p> <p>The growth of the health care industry is not slowing down and with the passing of the Affordable Care Act in 2010 and the impending retirement of the baby boomer generation, the demand for administrative professionals in the health care industry will only become stronger. According to the Bureau of Labor Statistics, the job outlook for medical and health service managers “is expected to grow 23 percent from 2012 to 2022, much faster than the average for all occupations (Department of Labor Statistics, 2014).”</p> <p><i>What is the market tuition rate to be charged for each of the next three years?</i></p> <p>The market tuition rate includes all associated student fees, marketing, faculty development, and instructional costs.</p> <p>Class beginning 2015: \$36,653                      Class beginning 2016: \$36,653                      Class beginning 2017: \$36,653</p> <p><i>Explain the process used to determine market tuition.</i></p> <p>The executive HSA degree program is currently a cost recovery program. The current tuition rate is \$833.02 per credit hour. The market rate tuition should remain the same as the program conducted a market-rate analysis and determined that the current cost per credit hour falls down the middle of other peer institutions. The cost per credit hour at \$833.02 is also sufficient in meeting the operational costs of running the executive HSA degree program.</p>	

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The market rate tuition for the executive HSA degree program was determined using a systematic evaluation of 10 peer institutions of UCF. We evaluated similar institutions based on the type (public or private), length of program, total credit hours, and costs. The average total cost of these 10 programs is \$46,825. The program’s biggest competitor, Florida International University, is an 18-month program and costs \$52,000 for in-state students and \$54,000 for out-of-state students. The executive HSA degree program is much less costly. Additionally, the healthcare MBA at FIU is a Saturday-only program, with supplemental virtual learning. There is a new program offered by Rollins College that will start in Fall 2015 with a lower overall cost, but it is not online, it requires participation on the weekends, and it currently has only two full-time faculty members. The executive HSA degree program has alleviated the need for on-campus meetings through the use of virtual learning. From the evaluation of peer institutions, the market rate will remain the same for the next three years. The total tuition charged for similar programs ranges from \$23,520 to \$85,000. The current tuition of the UCF executive HSA degree program falls within the middle of other peer institutions. The market rate tuition for this degree program will be re-evaluated based on future market trends if necessary.

*What is the current tuition rate?*

\$36,653 (Fall 2015)

*Provide tuition rates from at least five other institutions (public)*

**University of North Carolina - Chapel Hill:** \$64,199 out-of-state (\$1,337 per credit hour) and \$26,928 in-state (\$561 per credit hour); 48 total credit hours

**University of Minnesota:** \$57,000 (\$1,357 per credit hour); 42 total credit hours

**Florida International University:** \$54,000 for out-of-state and \$52,000 for in-state (\$1,238 per credit hour); 42 total credit hours

**University of Colorado Denver:** \$51,000

**University of Alabama Birmingham:** \$49,000

**University of Central Florida Executive HSA degree program:** \$36,653

**University of Washington – Seattle:** \$29,640 (\$780 per credit hour); 38 total credit hours

**University of Missouri-Columbia:** \$29,400 (\$780 per credit hour); 38 total credit hours

**Western Kentucky University:** \$23,520 (\$560 per credit hour); 42 total credit hours

**Describe any similar programs offered by another state university system institution:**

Florida International University offers the only other master’s executive HSA program in the state university system. Their program is a MBA in healthcare management and is a Saturday-only program supplemented with virtual learning. The program is geared towards the working professional with at least four years of relevant experience. It is an 18-month, 42 credit hours program that costs \$52,000 for in-state students and \$54,000 for out-of-state students.

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The executive HSA program at UCF is completely online and focuses on developing and advancing the knowledge of our students in the areas of innovation and entrepreneurship of health care. Whereas, the FIU program is an MBA with a healthcare management track, the executive HSA degree program is solely a health care administration program in which the entire curriculum centers on health care. Furthermore, the executive has degree program is in the process of seeking accreditation with the Commission on the Accreditation of Healthcare Management Education (CAHME).

**Mission Alignment**

Describe how offering the proposed program at market tuition aligns with the mission of the university and the Board strategic plan:

The mission statement for UCF is as follows: The University of Central Florida is a public multi-campus, metropolitan research university that stands for opportunity. The university anchors the Central Florida city-state in meeting its economic, cultural, intellectual, environmental, and societal needs by providing high-quality, broad-based education and experienced-based learning; pioneering scholarship and impactful research; enriched student development and leadership growth; and highly relevant continuing education and public service initiatives that address pressing local, state, national, and international issues in support of the global community.

The executive HSA degree program supports the mission of the university because it provides high-quality, broad-based education in one of the fastest growing interdisciplinary fields while embracing leadership development and growth. The students in the program are required to develop research projects and address the community healthcare and social development needs. Additionally, the program prepares students to work on the managerial and clinical safety and quality issues within the health care industry, which has been identified as a fast growing sector in our local, national, and global communities. In addition, the program aligns with the goals of the Florida Board of Governors in the following ways:

**There are four goals adopted by the Board of Governors and they include:**

*Goal 1: Access to and production of degrees:* The executive HSA degree program is a young program and it graduated its first cohort of 11 students in Summer 2013. There was an 80 percent increase in enrollment for the second cohort of students admitted into the program. The online degree program offers convenience to working professionals, as well as the ability to recruit students from around the nation.

*Goal 2: Meeting statewide professional and workforce needs:* The executive HSA degree program has not been identified as a state critical workforce need. However, the health care industry is expected to grow quickly which will create a need for individuals with a HSA background and expertise.

*Goal 3: Building world-class academic programs and research capacity:* The executive HSA degree program is housed in the College of Health and Public Affairs, within the Health Management and Informatics Department. The curriculum of the executive HSA degree program aligns closely with the traditional HSA degree program, which is accredited by CAHME. Moreover, *U.S. News and World*

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*Report* ranked the traditional HSA degree program 46<sup>th</sup> out of 100 for top graduate programs nationwide. The executive HSA degree program is currently seeking accreditation.

*Goal 4: Meeting community needs and fulfilling unique institutional responsibilities:* With the aging of the baby boomer population and the passing of the Affordable Care Act, there will be a need to increase the health care workforce administratively and clinically to support the growing health care needs of the population. The executive HSA degree program will help meet these needs by offering a program that adequately prepares individuals to work in the health care industry to meet the growing demand of health care services.

**Declaratory Statement**

Provide a declaratory statement that the policy will not increase the state’s fiscal liability or obligation and that the Market Tuition Rate program cohorts will not supplant an existing E&G funded degree program in the same discipline:

The executive HSA degree program will not increase the state’s fiscal liabilities or obligations. Any unforeseen costs will be the responsibility of the College of Health and Public Affairs.

**Restrictions / Limitations**

Identify any proposed restrictions, limitations, or conditions to be placed on the policy:

No restrictions, limitations, or conditions are anticipated beyond those already stipulated by the Florida Board of Governors policy on market tuition.

**Accountability Measures**

Indicate how the university will monitor the success of the policy. Provide specific metrics that will be used.

Success of market tuition for the executive HSA degree program will be measured using several metrics collected over a three-year review period including

- number of students enrolled
- compliance with CAHME standards for accreditation
- program revenues relative to program costs
- student satisfaction with the program
- employer satisfaction with the program
- number of degrees conferred

**Course Availability**

Explain how the university will ensure that sufficient courses are available to meet student demand and facilitate completion of each program submitted for consideration. Will any similar E&G courses be eliminated or scaled back if this program is implemented?

The executive HSA degree program is planned one year in advance. Within that time frame, the program director for the executive HSA degree program works with the chair of the Department of

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Health Management and Informatics to ensure sufficient staffing for all programs. Faculty members selected for teaching in these programs, do so on an in-load basis and adjunct faculty members are utilized as well. When the Department of Health Management and Informatics conducts their human resource planning, teaching needs in the executive HSA degree program are an important consideration.

**Economic Impact**

Provide economic impact that this proposal will have on the university and the student, anticipated revenue collection, how the revenue will be spent, whether any private vendors will be used, and which budget entity the funds will be budgeted.

The executive HSA degree program will economically impact the university and the students in two ways:

- 1) The revenue generated from the program can be used to support the program and the Department of Health Management and Informatics. Moreover, the revenue allocated to the department will allow the department to invest in faculty development, instructional support, and equipment necessary for student learning and research and teaching.
- 2) Students graduating from the executive HSA program will be equipped to be leaders in the health care industry which will benefit the community. Moreover, obtaining an executive HSA degree will allow students to grow professionally and to move vertically in their career ladder.

*Anticipated gross revenue:*

Cohort 1: \$36,652 x 12 students = \$439,834

Cohort 2: \$36,652 x 19 students = \$696,388

*How revenues will be spent:*

The revenue generated from this program will be used to support all costs of delivering the program, including but not limited to instructional costs, program administration, student support services, career services, marketing and recruitment efforts, and classroom, facility, and technology upgrades necessary for student learning. It will also be used to support professional development for faculty and staff, and to support strategic college and university academic initiatives.

*Will private vendors be used?*

Several private vendors will continue to be used including textbook publishers and wholesalers, food caterers, various media outlets for promotion, software vendors, and outside speakers.

*What budget entity will be used for the proposed program?*

Continuing Education and the College of Health and Public Affairs budget offices will administer the budget and the executive HSA degree program will have a designated auxiliary account.

**Other Information**

Provide any additional information if necessary, and complete the attached supplemental form. Indicate additional degrees that may be produced by going to market tuition and how the university will assist the students with employment or career advancement.

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Supplemental form is attached. No additional degrees will be produced by going to market tuition.

The executive HAS degree program is a program targeted at working professionals in the health care industry. Thus, all of our students are working professionals. However, the program is proud of the great relationships we have with our alumni and they have stated that they have received a promotion as a result of pursuing the executive HSA degree. Additionally, in the last graduating cohort, 66 percent of the graduates that responded to the exit survey stated that they received a promotion as a result of earning the executive HSA degree.

Finance and Facilities Committee Meeting - New Business

Attachment B  
State University System  
Market Tuition Proposals

University: University of Central Florida		Proposal 1	Proposal 2	Proposal 3	Proposal 4	Proposal 5
		Industrial Engineering M.S.-Healthcare Systems Engineering Track				
1	<b>Degree Program</b>					
2	<b>CIP Code</b>	\$14.35				
3	<b>Has the program been approved pursuant to Regulation</b>	Yes				
4	<b>Does the program lead to initial licensing or certification?</b>	No				
5	<b>Is the program identified as a state critical workforce need?</b>	No				
6	<b>Are the program's admission &amp; graduation requirements the same as other programs?</b>	Yes				
7	<b>Current Tuition Rate (enter the per credit hour rate)</b>	\$288.00				
8	<b>Proposed Market Tuition Rate (enter the per credit hour rate)</b>	\$1,200.00				
9	<b>Different Market Tuition Rate for Resident vs. Non-Resident Student? If yes, list the per credit hour rate.</b>	No				
10	<b>5 Other Public/Private Rates for Similar Program (per credit hour):</b>					
11	University name and rate:	Binghamton University: \$411 (res), \$765 (non-res)				
12	University name and rate:	Ga Tech \$1392				
13	University name and rate:	Lehigh Univ \$1340				
14	University name and rate:	San Jose St Univ \$626				
15	University name and rate:					
16	<b>Length of Program (Student Credit Hours)</b>	30				
17	<b>Current E&amp;G Student Enrollment (Headcount):</b>					
18	<b>Resident</b>	0				
19	<b>Non-Resident</b>	0				
20	<b>Total</b>	0				
21	<b>Similar Program at other SUS Institutions (if yes, provide university and program name)</b>	No				
22	University and program name:					
23	University and program name:					
24	University and program name:					
25	University and program name:					

**Attachment B**  
**State University System**  
**Florida Board of Governors**  
**Request to Establish Market Tuition Rates - Regulation 7.001(15)**

**University:** University of Central Florida

**Proposed Market Tuition Program:** Industrial Engineering M.S.-Healthcare Systems Engineering Track

Date	
University Board of Trustees approval date:	
Proposed Implementation Date (month/year):	Fall 2016
Graduate online or Graduate Continuing Ed. Course:	Graduate online
CIP Code:	14.3501

**Description of the Program and the Market Tuition Rate Process**

This program will be based on the existing M.S. degree in Industrial Engineering program that is currently offered on campus. This industrial engineering M.S.-healthcare systems engineering track (IEMS-healthcare systems engineering track) will require completion of 30 credit hours of required courses (4) and prescribed elective courses (6), with all content delivered fully online.

The market tuition was determined as follows:

- market studies by Apollidon, Inc. and EAB (Education Advisory Board)
- comparison of four direct competitors' tuition costs, as well as their curricula and online availability
- discussions with our industrial partners to understand the market need

**Mission Alignment**

Currently there is a widespread need among working healthcare systems professionals to acquire knowledge about methods for system redesign. There is no competing, fully-online program with a focus on systems engineering that can meet the nationwide demand from a broad range of place-bound healthcare professionals. A market-based program will provide the necessary resources for a higher level of program support. The IEMS-healthcare systems engineering track will require additional specialized instructors and support personnel. Moreover, course development will need to be continuous due to constant and fast-changing technology in the healthcare systems field. Healthcare companies have a need for their employees to be taught the latest technology, innovative processes, and system designs to increase efficiency, reduce error, and improve access and overall quality of care. Market rate tuition will provide support for attending seminars, conferences, and continuing education programs for the professional development that faculty members will require to attain the knowledge-base necessary to sustain the program. The higher level of funding provided by a market rate program will also provide the resources to recruit exceptional students and increase enrollment in the program. Under an online format, there need be no distinction between a student near UCF and one located hundreds of miles away or more, so a single rate is appropriate. Industrial and systems engineering tailored to the healthcare industry is focused on the application of its engineering-based tools to integrate resources, refine operations, and aid clinical decisions with the goal of making healthcare systems and processes consistent, high- quality, and cost-effective over the entire course of patient care. The ultimate goal is to engineer solutions to improve healthcare delivery processes and operations.

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These goals are consistent with UCF's mission to meet societal needs through high-quality education that addresses pressing national challenges, and with the university's strategic plan. Furthermore, this new track directly supports the Florida Board of Governors performance metric for 2014-2015 (#8) to provide graduate degrees in areas of strategic emphasis, including the number of graduate degrees offered in STEM fields. The program also supports the Florida Board of Governors 2012-2025 Strategic Plan in that it will prepare and mobilize key human resources to address vital opportunities and challenges in Florida and across the U.S. to deliver much needed high-quality healthcare systems and operations at a reasonable cost. The results will lead to important advances in health, welfare, and the economy for citizens in Florida and beyond.

The program will also contribute to the Florida Board of Governors' goals for increased collaboration and external support, as well as increased community and business engagement through the involvement of the national businesses that support their employees' enrollment in this track and the interaction between UCF faculty members and new industrial partners. As an online program, the IEMS-healthcare systems engineering track directly supports the Florida Board of Governors' goals to increase the ratio of course sections offered via distance learning.

The IEMS-healthcare systems engineering track is also consistent with the UCF mission: The University of Central Florida is a public multi-campus, metropolitan research university that stands for opportunity. The university anchors the Central Florida city-state in meeting its economic, cultural, intellectual, environmental, and societal needs by providing high-quality, broad-based education and experience-based learning; pioneering scholarship and impactful research; enriched student development and leadership growth; and highly relevant continuing education and public service initiatives that address pressing local, state, national, and international issues in support of the global community.

*In the Report To The President: Better Health Care And Lower Costs: Accelerating Improvement Through Systems Engineering, May 2014, the President's Council of Advisors on Science and Technology (PCAST) identified systems engineering as a method that "... has often produced dramatically positive results in the small number of health-care organizations that have incorporated it into their processes" "... systems-engineering knowhow must be propagated at all levels; PCAST recommends that the United States build a health-care workforce that is equipped with essential-systems engineering competencies that will enable system redesign."*

The program is consistent with UCF's Goals:

**Goal 2: Achieve international prominence in key programs of graduate study and research.** In their market study, Apollidon, Inc. identified a strong interest for engineering programs from international students. Healthcare systems engineering embodies a global research agenda involving public and private institutions across the globe that publish results in numerous peer-reviewed journals and at multiple professional conferences across Asia, North America, and Europe.

**Goal 4: Become more inclusive and diverse.** The program will target a diverse population of working professionals from administrative, technical, clinical, and research communities.

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**Goal 5: Be America’s leading partnership university.** Healthcare systems engineering is an applied discipline, necessitating work being done in institutions, locations, and facilities that provide products and services to the bioscience and healthcare communities across the economy. Students in this program will need to engage and work in these areas, extending the reach of UCF as a global partner. The program offers potential differentiators that include partnerships and endorsements such as the following:

- partnerships are possible with corporations including Florida Hospital and VA Orlando Clinic, other VA hospitals, and other Florida-based healthcare providers
- partnerships with and endorsements from associations promoting education in the field including Health Systems Engineering Alliance, Society for Health Systems, Health Information & Management Systems Society, and other industrial engineering associations
- endorsements from international universities to accelerate international name recognition with students outside of the U.S.

Most of the candidate students who are likely to enroll in this program are expected to be working professionals already active in healthcare or related fields. The organizations in which they work will exhibit a regional presence well beyond Central Florida, or even Florida. Large concentrations of prospective students will come from major Central Florida employers including Florida Hospital, Veterans Affairs, and Siemens Healthcare that actually represent southeast regional, national, and international markets, respectively, and that extend beyond the traditional UCF student markets.

**Declaratory Statement**

The IEMS-healthcare systems engineering track will not increase the state’s fiscal liabilities or obligations. Any unforeseen costs will be the responsibility of the College of Engineering and Computer Science using non-E&G funds. Further, the program will not displace any existing E&G funded degree program in industrial engineering.

**Restrictions / Limitations**

No restrictions, limitations, or conditions are anticipated beyond those already stipulated by the Florida Board of Governors’ policy on market tuition.

**Accountability Measures**

Success of market tuition for the IEMS-healthcare systems engineering track will be measured using several metrics collected over a three-year review period, including

- number of Florida residents enrolled
- number of non-Florida residents enrolled
- program revenues relative to program costs
- student satisfaction with the program
- employer satisfaction with the program

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- number of degrees conferred.

**Course Availability**

The IEMS-healthcare systems engineering track is an online program. All courses in this lockstep program will be offered in an appropriate cyclical manner. The graduate program director and department chair work closely to ensure sufficient staffing for all programs within the department.

No similar E&G coursework will be eliminated or scaled back. The core M.S. coursework is currently online and adding a track in healthcare systems engineering will enhance overall graduate enrollment with new students who would not otherwise have enrolled at UCF.

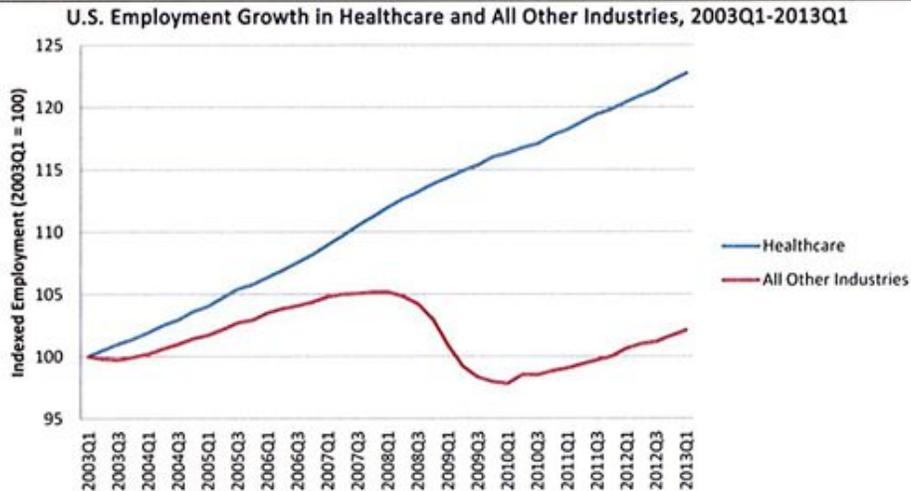
The courses in the IEMS-healthcare systems engineering track will be taught either by regular faculty members as part of their in-load teaching assignments or by adjunct faculty with especially strong qualifications to teach in this track. The revenue from students enrolled in the track will provide the funding for adjuncts teaching courses in the track and for reimbursing IEMS or the College of Health and Public Affairs for the time regular faculty members are devoted to the track.

**Economic Impact**

Tuition revenue from new enrollment will benefit the track by supporting high-quality instruction by exceptionally qualified faculty members and adjuncts, and IEMS by funding additional faculty positions, continuing professional development for faculty members teaching courses in the track, and graduate teaching assistantships that will be increasingly critical as the track grows. In addition, there is high-potential for developing a strong research and education partnership with the healthcare industry in Florida and elsewhere due to productive interactions between UCF faculty members and new industrial partners that address key issues facing the healthcare systems in the U.S.

The general growth in employment in the healthcare sector has been astonishing since 2003, as demonstrated in the following chart. This includes growth in all categories of employees from administrative to clinical.

Attachment B  
**State University System**  
**Florida Board of Governors**  
**Request to Establish Market Tuition Rates - Regulation 7.001(15)**



The continuing structural changes in the industry, such as implementation of the Affordable Care Act are also projected to add to employment in the healthcare sector. Educated industrial engineering professionals will continue to be valued in an industry that is experiencing this amount of growth and change, and where positive outcomes are so critical.

**Salary Impact on Graduates**

Salary data for process and quality careers is surveyed and published annually by the American Society for Quality. Their 2014 survey data includes salary data by job position that is specific to the healthcare sector. Positions that require an undergraduate degree or early career status (i.e., analyst, associate, or technician) currently pay median salaries of \$65,000, \$52,500, and \$66,000, respectively. Positions that require advanced degrees or extended tenure (i.e., process engineer, manager, supervisor, or quality engineer) are associated with notably higher median salaries of \$93,500, \$80,000, \$71,250, and \$76,470, respectively. For example, within organizations that include Six Sigma programs, Black Belts receive a median income of \$98,000, and Master Black Belts receive a median income of \$103,251. Although regional differences will drive variation in these numbers, it seems reasonable to estimate that students coming through this program will achieve salary benefits for themselves that could shift them from a base of \$50,000-\$75,000 up to \$70,000-\$95,000. This could provide program graduates an annual \$20,000 increase in income as much as ten years earlier than they might expect to achieve such income through career growth without earning the master’s degree.

**Need for the IEMS-Healthcare Systems Engineering Track**

Healthcare systems consist of people, organizations, clinical systems, information technology systems, and materials whose combined action promote and restore the patient’s health. The current healthcare systems are very complex; continually evolving and often fragmented. As discussed in the Report on *Building a Better Delivery System: A New Engineering/Health Care Partnership* by the National Academy of Engineering and Institute of Medicine (2005), applying systems engineering tools and methodologies is very much needed to improve efficiency, effectiveness, and equitable access to healthcare services in the United States.

Attachment B  
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**Request to Establish Market Tuition Rates – Regulation 7.001(15)**

Systems engineering can have a positive impact on mitigating the rising cost of healthcare, and the growing recognition of this fact will continue to create demand for qualified employees. Total U.S. health care expenditures were estimated to be \$2.9 trillion in 2013, and are projected to soar to \$3.4 trillion in 2016.

**Anticipated revenue collection.**

Based on the potential enrollment model below with each student enrolled for 30 credit hours over two years, and an estimated market rate tuition of \$1,200 per credit hour, the program's anticipated revenue is shown in a table below.

*How the revenue will be spent:*

The revenue generated from this program will be used to support all costs of delivering the program, including but not limited to instructional costs, program administration, student support services, career services, marketing and recruitment efforts, and classroom, facility, and technology upgrades necessary for student learning. It will also be used to support professional development for faculty and staff, and to support strategic college and university academic initiatives.

*Will private vendors be used?*

No private vendors will be used for this program. The department and college will collaborate with UCF's Division of Continuing Education to provide marketing and recruitment services for the new online IEMS-healthcare systems engineering track.

*What budget entity will be used for the proposed program?*

The IEMS-healthcare systems engineering track's budget will be administered by the Department of Industrial Engineering and Management Systems.

**Other Information**

The growing national and worldwide interest in healthcare systems engineering is being driven by the economics of cost and benefit in this significant portion of every national economy, and by the science prospects for personalized medicine through translational bench-to-bedside research. The need to reengineer, even reinvent, the healthcare sector to control cost and provide equitable access requires systems thinking and design at a level not historically evident in healthcare. The direct translation of genomic and proteomic analysis into the continuum of care has profound implications for population health and disease management in our society. Our future graduates can play a significant early role in these transitions.

Career Services and IEMS will maintain information about appropriate positions for students in this program and communicate that information to students in the program. This and other interactions with industry will continually inform the program of its relevance and centrality to the evolving healthcare field in Florida and the U.S. The program will adjust and strengthen in the future to ensure its sustained role in educating leaders and innovators in healthcare. The IEMS-healthcare systems engineering track will be up-to-date, responsive to developments in healthcare, and unique when compared to other degree options for healthcare professionals with strong technical and quantitative skills. Interest in the

**Attachment B**  
**State University System**  
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program will not be limited to Florida and will include place-bound working professionals who need the flexibility of a fully online program to make an immediate difference in their workplaces and to develop themselves professionally so they can achieve their full potential. Given the unique program development, implementation and delivery, long-term sustainment, and continuous quality improvement requirements, and given a large, diverse, and widely scattered audience of healthcare professionals across the United States who will benefit from this program, as well as significant potential for international market outreach, offering such a critical program can be best accomplished under market rate tuition. Currently, there is no dedicated, fully online program with a focus on a systems engineering approach to healthcare delivery in Florida, and there are very few programs that can meet the nationwide demand from a broad range of place-bound healthcare professionals. This new program will also present many extensive opportunities for continuing future expansion of studies at the masters, doctoral, and post-doctoral levels in related disciplines.

Market rate tuition provides the financial resources necessary to offer a program large enough, and in a timely manner, to meet the anticipated market demand for this particular degree, including the resources necessary to develop and convert course materials, manage student recruitment, ensure continuing professional development of faculty members, and assure effective program delivery. The traditional mode of program delivery would not be sufficient to meet the anticipated program demand. Meeting this demand within our existing course framework could double or triple our enrollment loads. Therefore, the market rate option is the most appropriate pathway that is likely to result in a successful program launch in the next year. Constituents among the companies and individuals in our market space have become familiar with such market rate programs with many other academic institutions doing the same with great success.

ITEM: FFC-2

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Revision to University Regulation UCF-7.130 Administration and Finance; Purchasing

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Approve the attached amendments to existing university regulation UCF-7.130 Administration and Finance; Purchasing.

**BACKGROUND INFORMATION**

Florida Board of Governors Regulation 1.001 provides that "Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors."

Regulation UCF-7.130 is being amended to remove language in (6)(a) concerning the execution of contracts in order to reduce university risk.

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**Supporting documentation:** University Regulation UCF-7.130

**Prepared by:** Youndy C. Cook, Deputy General Counsel

**Submitted by:** W. Scott Cole, Vice President and General Counsel

**UCF-7.130 Administration and Finance; Purchasing.**

(1) The University Board of Trustees (BOT) has authority to establish a system of coordinated procurement policies, procedures, and practices to be used in acquiring commodities and contractual services required by the University. The University Purchasing Department has the duty to:

- (a) Develop purchasing procedures.
- (b) Canvass sources of supply and contracting for the purchase or lease of all commodities and contractual services for the University, in any manner, including purchase by installment- or lease-purchase contracts. Installment- or lease-purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.
- (c) Recommend or advise the suspension or debarment of a contractor, in accordance with University Regulation UCF-7.124, from doing business with the University for demonstrated cause, including previous unsatisfactory performance.
- (d) Plan and coordinate purchases in volume and negotiate and execute agreements and contracts for commodities and contractual services under which the University may make purchases.
- (e) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/services that are frequently purchased and are available from a single source.
- (f) Evaluate and approve contracts let by the Federal Government, other states, political subdivisions, or any independent college or university or purchasing cooperative or consortium for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities.
- (g) Elect as an alternative to any provision in Board of Governor's (BOG) Regulation 18.002 to proceed with a bid solicitation or contract award process when it is set forth, in writing, that the particular facts and circumstances which demonstrate that the delay due to staying the solicitation or contract award process would be detrimental to the interests of the University. After the award of a contract resulting from a competitive solicitation in which a timely protest was received

and in which the University did not prevail, the contract may be canceled and re-awarded to the prevailing party.

- (h) Award contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or multiple state university-wide basis and the contracts may be for multiple years.
  - (i) Reject or cancel any or all competitive solicitations when determined to be in the best interest of the Institution.
  - (j) Inspect the part of the plant or place of business to determine the capability of contract performance of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the University, when specified in the agreement.
- (2) Competitive Solicitations Required.
- (a) All contracts for the purchase of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a competitive solicitation, unless otherwise authorized herein.
  - (b) When only one response is received to a competitive solicitation for commodities or contractual services exceeding \$75,000 the University shall review the solicitation responses to determine if a second call for a competitive solicitation is in the best interest of the University. If it is determined that a second call would not serve a useful purpose, the University shall proceed with the acquisition or cancel the acquisition.
  - (c) When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist, will use toss of the coin.
  - (d) The purchase of commodities and contractual services shall not be divided to avoid the requirement of competitive solicitation.
  - (e) The Purchasing Department, in issuing an Invitation to Bid, Request for Proposal or Invitation to Negotiate, shall provide notice of a decision or intended decision

concerning a solicitation, or contract award by electronic posting for 72 hours, which is interpreted as three business days. (Business days do not include Saturdays, Sundays, State or University holidays, or any other days when the University is otherwise closed for business.) This notice shall contain the following statement: "Failure to file a protest in accordance with BOG regulation 18.002, or failure to post the bond or other security as required in BOG regulation 18.003, shall constitute a waiver of protest proceedings."

- (f) Advertisement. Invitations to Bid, Requests for Proposals, and Invitations to Negotiate for commodities expected to be in excess of \$150,000 and for contractual services expected to be in excess of \$75,000 shall be advertised in the Florida Administrative Weekly or the State of Florida's VBS System. The Director of Purchasing shall have the authority to waive this advertisement requirement when the number of potential bidders or proposers is limited and can otherwise be solicited, when the availability of funding so requires, or where delivery is urgent.
- (g) Bids and proposals shall remain sealed (with the exception of typical information revealed at the Bid/Proposal opening for the tabulation sheet) until notice of final contract award is given or in accordance with Florida Statute as appropriate.
- (h) In the case of extension errors, the unit price will prevail.
- (i) Withdrawal. A vendor may withdraw his or her bid or proposal in writing if done within seventy-two (72) hours of the bid or proposal opening, if the bid or proposal is clearly erroneous and it is withdrawn prior to final award or the purchase order being issued.
- (j) Bid/Proposal Evaluations – Bids/Proposals shall be evaluated based on the requirements set forth in the Invitation to Bid/ Request for Proposal, which may include criteria to determine acceptability such as inspection, testing quality, workmanship; delivery and suitability for a particular purpose. Those criteria that will affect the bid/proposal price and be considered in evaluation for award shall be objectively measured, such as all or none, discounts, transportation costs and total or life cycle costs. The Invitation to Bid or Request for Proposal shall set

forth the criteria to be used. No criteria may be used in bid/proposal evaluation that is not set forth in the Invitation to Bid or Request for Proposal.

(3) Purchase of Commodities or Contractual Services.

- (a) Purchase of Products with Recycled Content. The University encourages the purchase and use of products and materials with recycled content and post consumer recovered material.
- (b) Purchase of Private Attorney Services. Written approval from the Attorney General is not required for private attorney services acquired by the University.
- (c) Purchase of Insurance. The University has the authority to purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University. Examples of insurance coverage that may be acquired by the University include (but are not limited to) insurance coverage for:
  - 1. Physical damage on vehicles and boats;
  - 2. Inland marine on property owned, leased, or loaned to or by the University;
  - 3. Building and property damage;
  - 4. Equipment losses due to theft;
  - 5. Loss of rental income;
  - 6. Excess general liability coverage;
  - 7. Professional liability;
- (d) Purchase of Printing. Printing shall be purchased in accordance with the requirements of these rules. The University may refer to the requirements of Chapter 283, F.S., and rules promulgated thereto for guidance with respect to the purchase of printing services.
- (e) Purchases from Small, Minority and Woman-Owned Business Enterprises (SMWBE). The University is an equal opportunity institution and encourages procurement contracting with SWMBE.
- (f) Purchases from Contractors Convicted of Public Entity Crimes. The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list

for a period of 36 months from the date of being added to the convicted vendor list.

- (g) Preferences for Florida-Based Vendors when Purchasing Personal Property: For purchases of tangible personal property, the Florida Legislature enacted economic development laws establishing certain conditions and circumstances which, when applicable, require the granting of price preferences to businesses whose principal place of business is the State of Florida. Pursuant to §287.084 Florida Statute, award recommendations shall make appropriate adjustments to Resident Vendor pricing when considering solicitations from Bidders having a principal place of business outside the State of Florida. Refer to Florida Statute 287.084 and BOG Regulation 18.001 for additional information regarding applicability and implementation of this section.
- h) Purchasing actions that are not subject to the competitive solicitation process include but are not limited to:
  1. Emergency Purchases. When the President or his or her designee determines, in writing, that a condition exists that threatens the health or safety of person(s) or animal(s) or the preservation or protection of property or the continuance of a vital University function, the University may proceed with an emergency purchase without a competitive solicitation. The emergency purchase shall be limited to the purchase of only the type of items and quantities or for a time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.
  2. Sole Source Purchases. Commodities or contractual services available from a single source shall be exempted from the competitive solicitation process. Sole Source document shall be publicly posted by the Purchasing Department for three working days. Working days do not include Saturdays, Sundays, or State or University Holidays.
  3. Purchases from competitively bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, other public or private educational institutions, and any purchasing cooperative or consortium are not subject to competitive solicitation.

4. Construction Direct Purchase Program. Commodities to be incorporated into any public work (as that term is defined in Rule 12A-1.094, F.A.C.) which are procured by the University in accordance with the requirements of the University's direct purchase program are not subject to any further competitive solicitation.
- (i) Commodities and contractual services that are not subject to the competitive solicitation process include:
1. Artistic services;
  2. Academic reviews;
  3. Lectures;
  4. Accountant services, including auditor services;
  5. Legal services, including attorney, paralegal, expert witness, appraisal, lobbyist, arbitrator or mediator services;
  6. Health services, including related equipment and supplies, involving examination, diagnosis, treatment, prevention, consultation or administration of physical or mental conditions or the provision of developmental or vocational rehabilitation;
  7. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed;
  8. Training and education services;
  9. Advertising;
  10. Services or commodities provided by governmental agencies, another university in the State of Florida or other independent colleges and universities;
  11. Programs or continuing education events that are offered to the general public for which fees have been collected to pay all expenses associated with the program or event;

12. Purchases from firms or individuals that are prescribed by state or federal law or specified by a granting agency;
  13. Regulated utilities and government franchised services;
  14. Regulated public communications, except long distance telecommunication services or facilities;
  15. Extension of an existing contract;
  16. Renewal of an existing contract if the terms of the contract specify renewal option(s);
  17. Purchases from the Annual Certification List developed by the University;
  18. Purchases for resale;
  19. Contracts or services provided by not-for-profit support and affiliate organizations of the University, direct support organizations, health support organizations and faculty practice plans;
  20. Implementation/programming/training services available from the owner of copyrighted software or its contracted vendor;
  21. Purchases of materials, supplies, equipment, or services for instructional or sponsored research purposes when a director of sponsored research or designee certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project in accordance with sponsored research procedures or to attain the instructional objective. Sponsored research documents shall be publicly posted by the Purchasing Department for three business days.
  22. Purchases for the Florida High Tech Corridor initiative; and
  23. The acquisition of commodities or contractual services that are specifically provided for in an existing contract, grant, subcontract, letter of agreement, etc.
- (j) Participants in Contract Awards Not Subject to Competitive Solicitations.
1. No person or firm who receives a contract to perform a feasibility study for potential implementation of a subsequent contract, participates in the drafting of a competitive solicitation or specifications, or designs or

develops a program for future implementation shall be eligible to contract with the University dealing with the specific subject matter.

2. The individuals taking part in the development or selection of criteria for evaluation, the evaluation process and the contract award in any purchase shall be independent of, and have no conflict of interest in, the entities evaluated and selected and may be required to so attest in writing.

(4) Bonds.

- (a) Solicitation Security. A certified, cashier's or treasurer's check, bank draft or bid bond may be required as a condition for participating in a competitive solicitation where the University is reasonably uncertain about the contractor's ability to perform, and the expected value of the contract is in excess of \$100,000.
- (b) Payment and Performance Bonds for Commodities and Services Contracts. The Purchasing Director is authorized to require any contractor contracting with the University to provide services or commodities (including installation) to furnish a payment and performance bond, with good and sufficient securities, to the University prior to the issuance of the contract when the total contract amount is greater than \$100,000 and the University is uncertain about the contractor's ability to perform.
- (c) A bond or security required pursuant to paragraphs (a) or (b) above must be in an amount equal to 100% of the response submitted to the competitive solicitation.
- (d) Solicitation Protest Bond. Any contractor that files a formal protest pursuant to the protest procedures of BOG Regulation 18.002 and this regulation protesting a decision or intended decision pertaining to a solicitation, shall at the time of filing of the formal protest, post with the University a bond payable to the University in an amount equal to: 10% of the estimated value of the protestor's bid or proposal; 10% of the estimated expenditure during the contract term; \$10,000; or whichever is less. The bond shall be conditioned upon the payment of all costs which may be adjudged against the contractor filing the protest action. In lieu of a bond, the University may accept a cashier's check or money order in the amount of the bond.

(5) Notice and Protest Procedures for Protests Related to a University's Contract Procurement Process

- (a) The procedures set forth in BOG Regulation 18.002 shall apply exclusively to any protest that arises from any university contract procurement processes for the purchase of goods, services, leases and for construction-related competitive solicitations.
- (b) Any qualified offeror who is adversely affected by the university's decision may file a written notice of intent to protest within 72 hours after university posting of award or intent to award notice. The protesting firm must reduce its complaint to a written petition and file it with the department that issued the solicitation within ten (10) calendar days from registration of the original complaint. Failure to timely file a protest or failure to timely deliver the required bond or other security in accordance with the Board of Governors' (BOG) Regulations 18.002 and 18.003 shall constitute a waiver of protest proceedings. Additional information on protest procedures can be viewed in the above referenced BOG Regulations.

(6) Contracts.

- (a) Contracts for the purchase of commodities or contractual services or licenses shall consist of a purchase order or bilateral agreement signed by the President of the University or designee prior to ~~or within thirty (30) days of~~ the goods or services being rendered by the contractor.
- (b) Any contract for the purchase of services or tangible personal property for a period in excess of one fiscal year shall include the following or an equivalent statement: "The State of Florida's and University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."
- (c) Extension of a contract shall be for a period not to exceed 12 months, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and conditions set forth in the initial contract. There shall be only one extension of a contract.
- (d) A contract may contain provisions for renewal. If the commodity or contractual service is purchased as a result of a competitive solicitation, the cost of any

contemplated renewal must be included in the competitive solicitation. All contract renewals are subject to sufficient annual appropriations.

- (e) When any commodity contract requires deferred payments and the payment of interest, such contract may be submitted to the State of Florida Comptroller for the purpose of pre-audit review and approval prior to acceptance by the University. The President shall have the authority to enter into deferred payment agreements utilizing the State of Florida Comptroller's Consolidated Equipment Financing Program. No agreement shall establish a debt of the state or shall be a pledge of the faith and credit of the state; nor shall any agreement be a liability or obligation of the state except from appropriated funds.
  - (f) In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a vendor consistent with Section 672.719, F.S.
  - (g) The total value of the contract is, for purposes of this regulation and university procedures, the purchase price for the initial term plus all renewal costs.
  - (h) If a contractor does not furnish proof of payment to subcontractors, suppliers, or laborers within 60 days after the project is certified to be finally complete by the University, the University will pay any retainage, on a pro-rata basis, directly to the subcontractors, suppliers or laborers. In order to obtain payment, subcontractors, suppliers, or laborers who have not been paid after the 60 days have passed have an additional 30 days to submit documentation satisfactory to the University showing that they have performed work on the project, the amount due, and certifying that they have not been paid. If a contractor does not complete a project, the University will use any retainage to complete the work and then pay any balance of the retainage, on a pro-rata basis, to subcontractors, suppliers, or laborers who provide the above required documentation within 30 days after the completion of the project.
- (7) Standard of Conduct. It shall be a breach of ethical standards: (a) for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services; (b) for any potential contractor to offer an employee of the University a gratuity of any kind, form or type to influence the development of a

contract or potential contract for commodities or services; or (c) for any University or University direct support organization employee participating on a procurement selection committee to solicit donations from responding vendors during the selection process, except for donations or benefits expressly stated in the procurement document.

(8) Purchase of Motor Vehicles.

- (a) The term “motor vehicle” includes any automobile, truck, watercraft or other vehicle designed primarily for transporting persons, and construction vehicles or farm equipment.
- (b) The University has authority to:
  - 1. Establish standard classes of motor vehicles to be leased, purchased or used by University personnel;
  - 2. Obtain the most cost effective and efficient motor vehicles for state purposes;
  - 3. Establish and operate facilities for the acquisition, disposal, operation, maintenance, repair, storage, control and regulation of University-owned motor vehicles. Acquisition may be by purchase, lease, installment-purchase, loan or by any other legal means and may include a trade-in. All motor vehicles purchased or leased shall be of a class that will safely transport University personnel and adequately meet the minimum requirements of the University.
  - 4. Contract for specialized maintenance services.
- (c)      Motor vehicles owned, leased or operated by the University shall be available for official University business only.

(9) Public Records.

- (a) Agreements may be canceled unilaterally by the University for refusal by the vendor/contractor to allow public access to all papers, documents, letters or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the vendor/contractor in conjunction with the Agreement.
- (b) The University is subject to the Florida Public Records laws.
- (c) Contract for Services. To the extent that Payee meets the definition of “contractor” under Section 119.0701, Florida Statutes, in addition to other

contract requirements provided by law, Payee must comply with public records laws, including the requirements of Section 119.0701, Florida Statutes.

(10) Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, Invitations to Bid, Request for Proposals and/or Invitations to Negotiate shall be excluded from competing for such procurements.

*Authority: BOG Regulations 1.001, 18.001, 18.002 and 18.003. History–New 4-23-03, Amended 4-17-06, 8-6-07, 10-19-07, Formerly 6C7-7.130, Amended 7-6-09, 8-8-14, \_\_\_\_\_-15.*

**ITEM: FFC-3**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Minor Amendment to 2015 Campus Master Plan—Laboratory and Environmental Support Facility Expansion

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Approve a minor amendment to the University of Central Florida Campus Master Plan for an expansion to Building 48, the Laboratory and Environmental Support facility.

**BACKGROUND INFORMATION**

The purpose of the proposed amendment is to approve an expansion of the existing Laboratory and Environmental Support facility. The department of Environmental Health and Safety has undergone a significant increase in staffing in the past few years, and this expansion will provide enough office and collaboration space to house two of the three EH&S functional groups, the Research and Environmental Support team and the Workplace Safety and Insurance groups.

The amendment would constitute a minor amendment that needs only Board of Trustees approval.

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**Supporting documentation:** Memorandum from Maria Yebra-Teimouri (Attachment A)  
Project Location (Attachment B)  
Capital Improvements List (Attachment C)  
Urban Design Map (Attachment D)

**Prepared by:** Lee Kernek, Associate Vice President for Administration and Finance

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Attachment A

**MEMORANDUM**

**TO:** W. Scott Cole, Vice President and General Counsel  
**FROM:** Maria Yebra-Teimouri, Coordinator, Facilities Planning  
**SUBJECT:** Minor Amendment to 2015 Campus Master Plan  
**DATE:** September 24, 2015

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The University of Central Florida proposes a minor amendment to its 2015 Campus Master Plan to amend the Capital Improvements and Urban Design Elements in order to add a proposed expansion to building 48, the Laboratory and Environmental Support facility. This Laboratory and Environmental Support expansion will provide office and collaboration space to house two of the three Environmental Health and Safety functional groups: the Research and Environmental Support team and the Workplace Safety and Insurance group. The RES team, currently housed in Building 16, has outgrown its current space, increasing from 3.5 FTE to 13 FTE, while EH&S, as a whole, increased from 13.5 FTE to 30 FTE.

This expansion will accommodate eight coordinator offices, three assistant director offices, eight staff cubicles, an eight-person conference room, and necessary support spaces such as one men's and one women's restroom and a mechanical and electrical room. The expansion adds 2,980 square feet to the existing facility for an overall 9,245 square-foot Laboratory and Environmental Support facility.

Expanding the Laboratory and Environmental Support facility provides the best location for the increased number of EH&S employees since the department operates most effectively when individuals are in close proximity to each other. The rest of the EH&S personnel, as well as other Facilities & Safety resources, are housed in adjacent Facilities & Safety buildings, making this an optimal location.

Please find below an analysis of the statutory thresholds and university responses that reflect the nature of the amendment request as a minor amendment. The thresholds are referenced under section 1013.30(9), F.S.

An amendment to a campus master plan must be reviewed and adopted under subsections (6)-(8) if such amendment, alone or in conjunction with other amendments, would:

Attachment A

- (a) Increase density or intensity of use of land on the campus by more than 10 percent;

University Response: The proposed Laboratory and Environmental Support expansion adds 2,980 square feet of Support Space land use to the campus. The current campus land designated for Support Space is more than 2,000,000 square feet. This constitutes a .0014% change in land use and therefore does not trip the 10 percent threshold for the use of land.

- (b) Decrease the amount of natural areas, open space, or buffers on the campus by more than 10 percent:

University Response: The proposed expansion closely wraps around the existing support facility and does not decrease natural areas, open space, or buffers on campus by more than 10 percent.

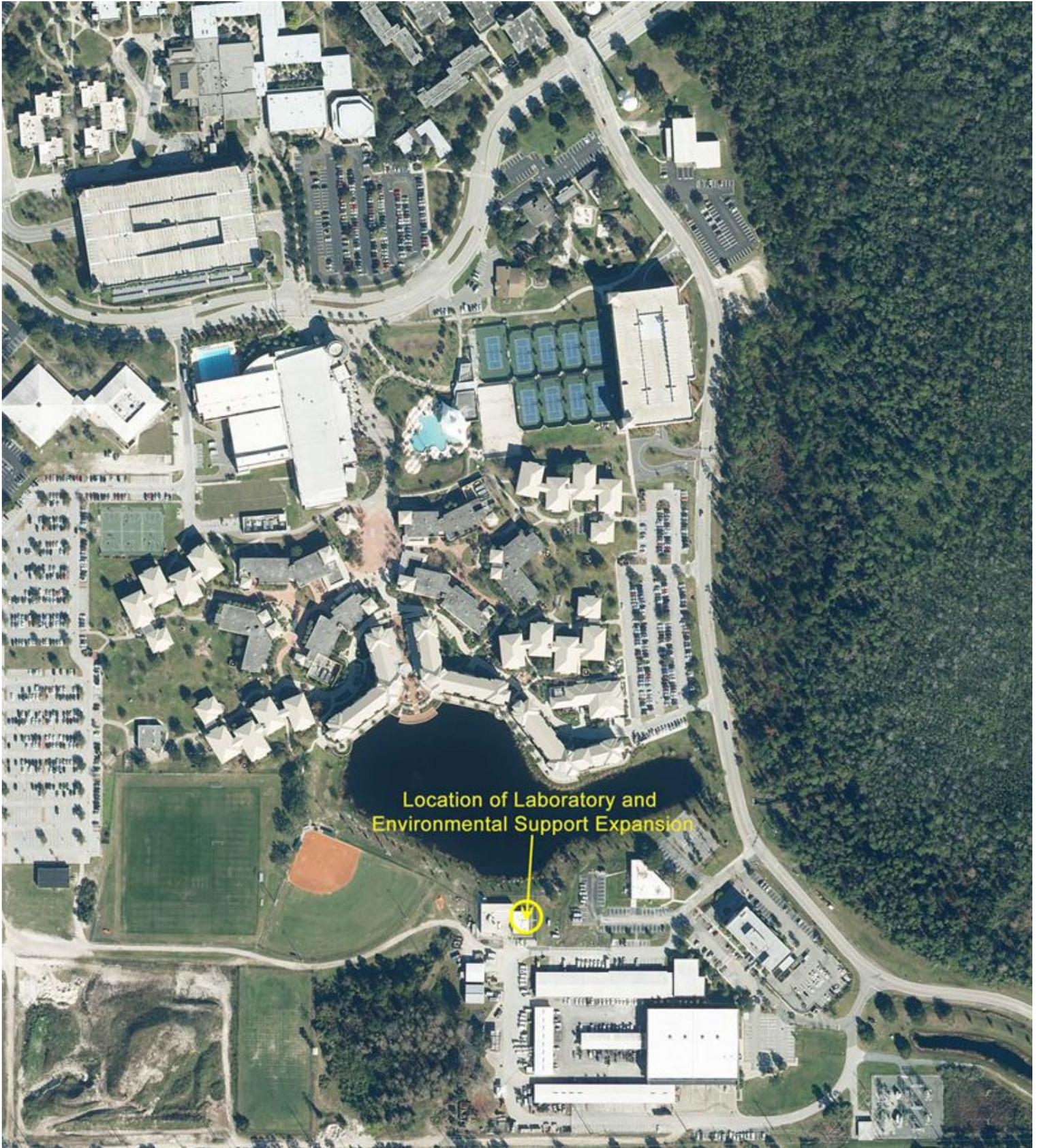
- (c) Rearrange land uses in a manner that will increase the impact of any proposed campus development by more than 10 percent on a road or on another public facility or service provided or maintained by the state, the county, the host local government, or any affected local government.

University Response: The proposed expansion does not rearrange land use in any way, and the occupants, already employed by UCF, will not generate an increase in capacity on any proposed campus development, road, or public facility by greater than 10 percent. Consequently, it will have a less than 10 percent impact on a road or service provided or maintained by the state, county, host local government, or any affected local government.

In summary, the proposed expansion does not exceed the amendment threshold criteria in 1013.30 (9), F.S. and may therefore be treated as a minor amendment.

Thank you for your time and attention to this matter. If you require additional information, please contact me at (407) 823-3893.

Attachment B





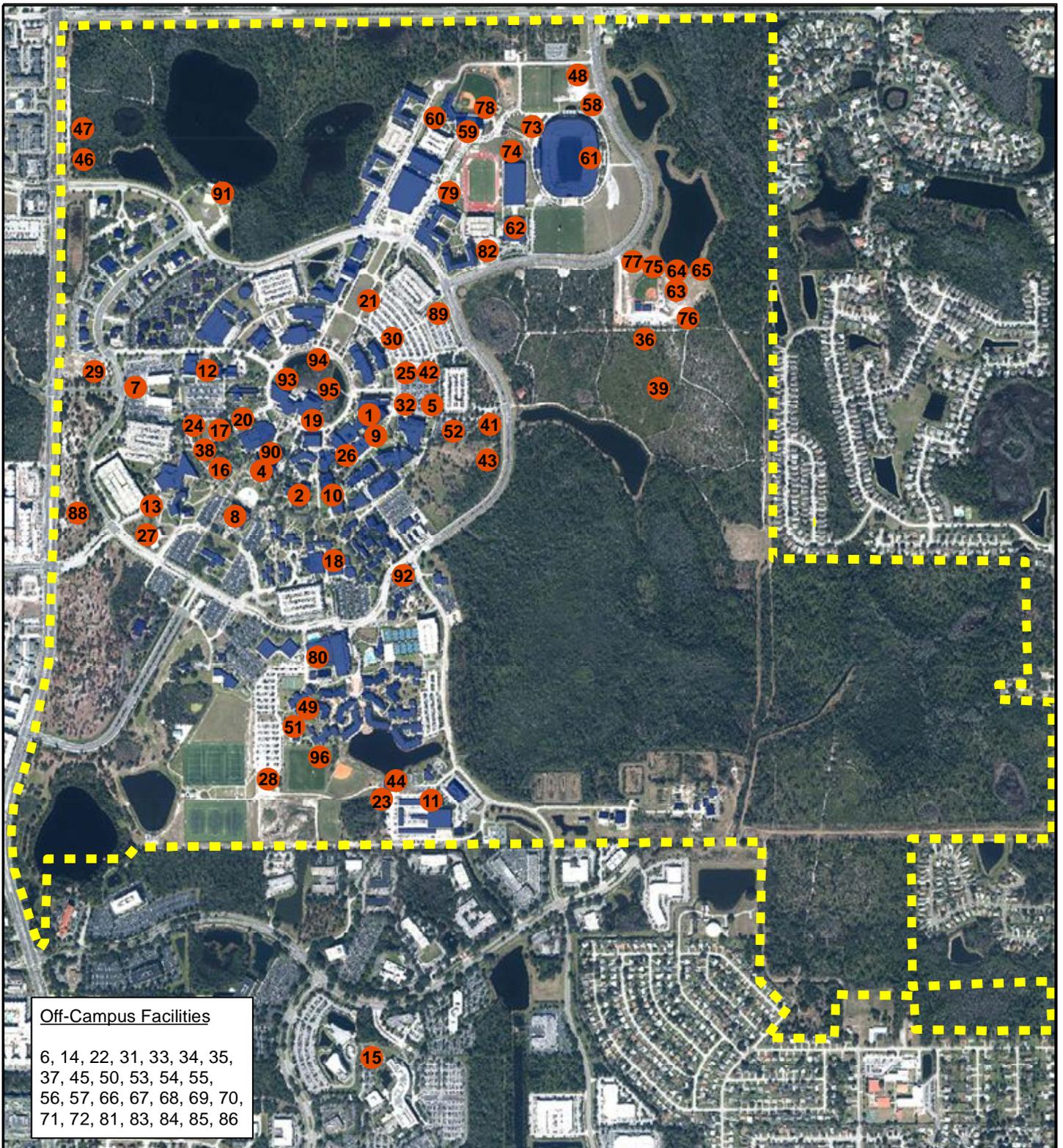


Figure 3-1

# Urban Design and Capital Improvements

Comprehensive Master Plan Update  
**University of Central Florida**  
 Orlando, Florida  
 2015-2025

All maps are diagrammatic and conceptual. The various areas shown are approximate and not to survey accuracy. The intent of these maps is to illustrate general areas of existing or potential use.

Rev. 20150506



ITEM: FFC-4

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Refinancing of UCF Stadium Corporation Certificates of Participation Series 2006A and B

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Pursuant to the attached draft resolution, the UCF Stadium Corporation, formerly known as Golden Knights Corporation, is requesting approval to refinance the outstanding certificates of participation Series 2006A and 2006B.

The refunding of the Series 2006A certificates, which bear interest at a tax-exempt rate, is being undertaken to achieve debt service savings. The refunding of the variable-rate Series 2006B certificates, which bear interest at a taxable rate, are being converted to fixed-rate. Conversion from variable-rate to fixed-rate is permitted under the BOG debt management guidelines. Cash currently on deposit in the debt service reserve fund for the certificates will be used to refund a portion of the certificates.

**BACKGROUND INFORMATION**

In 2006, the corporation issued \$64,535,000 in certificates of participation to finance the construction of the football stadium. The project is operated and managed by the UCF Athletics Association, which has pledged additional revenues to strengthen the credit. In the event the debt-service coverage falls below 1.20 times, the university has agreed to support the cost of the project's utilities. Furthermore, if the debt-service reserve fund is drawn upon, the university agrees to replenish the amount from legally available revenues. The support agreement is being amended to clarify the university's obligations.

At the time the certificates are paid, the master-lease purchase agreement and the ground lease between the corporation and the Golden Knights Property Corporation will terminate. Therefore, at the time the revenue bonds are issued, the university will document the relationship between the university and the UCF Stadium Corporation, granting the corporation the right to pledge the revenues from the stadium to the bond trustee. The project will continue to be managed by the UCF Athletics Association pursuant to an amended and restated management agreement.

The outstanding principal on the certificates is currently \$50,890,000.

**Supporting documentation:** Draft Board of Trustees Resolution (Attachment A)  
First Amendment to the Support Agreement  
(Attachment B)  
Operating Agreement (Attachment C)

**Prepared by:** John C. Pittman, Associate Vice President for Administration and  
Finance, Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

**A RESOLUTION AUTHORIZING THE ISSUANCE BY THE UCF STADIUM CORPORATION OF ITS REFUNDING REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING INDEBTEDNESS; APPROVING THE FIRST AMENDMENT TO SUPPORT AGREEMENT AND AN OPERATING AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE UCF STADIUM CORPORATION OF ITS REFUNDING REVENUE BONDS; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, previously, the Golden Knights Corporation, now known as the UCF Stadium Corporation (the "Corporation") financed the construction of the football stadium (the "Football Stadium") with proceeds of its Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the "Series 2006A Certificates") and the Taxable Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the "Series 2006B Certificates" and together with the Series 2006A Certificates, the "Series 2006 Certificates"); and

**WHEREAS**, the Corporation has heretofore determined that due to lower interest rates and the opportunity to realize debt service savings by refunding the Series 2006 Certificates and converting the Series 2006B Certificates from a variable rate to a fixed rate, the most appropriate way of refinancing the Series 2006 Certificates is to issue its Refunding Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and its Taxable Refunding Revenue Bonds, Series 2015B (the "Series 2015B Bonds" and together with the Series 2015A Bonds, the "Series 2015 Bonds") pursuant to the terms of a Trust Indenture, (the "Indenture") by and between the Corporation and the trustee named therein, (the "Trustee"); and

**WHEREAS**, the Golden Knights Corporation previously issued is Series 2014 Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2014 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the "Series 2014 Certificates") pursuant to a bank loan; and

**WHEREAS**, upon refunding of the Series 2006 Certificates, the Series 2014 Certificates will be exchanged for a Series 2015C Bond and remain on parity with the Series 2015 Bonds; and

**WHEREAS**, pursuant to the University of Central Florida Board of Trustee's (the "Board's") debt management guidelines, the Board is required to approve the issuance of debt by the Corporation; and

**WHEREAS**, payments due under the Series 2006 Certificates are currently secured by, among other things, payments to be made by the University of Central Florida (the "University")

pursuant to that certain Support Agreement (Football Stadium Financing), dated as of August 1, 2006 between the Corporation, the University and the Golden Knights Property Corporation (the "Support Agreement"); and

**WHEREAS**, the Corporation has requested that the University enter into that certain First Amendment to Support Agreement (Football Stadium Financing) (the "First Amendment") to clarify that the Board's obligations cover not only the Series 2006 Certificates but include obligations issued to refund the Series 2006 Certificates which includes the Series 2015 Bonds; and

**WHEREAS**, upon the refinancing of the Series 2006 Certificates the Board desires that the UCF Athletics Association, Inc. (the "Association") to continue to operate the Football Stadium and has requested that the Board enter into an Operating Agreement by and among the Board, the Corporation, and the Association and to provide for, among other things, operation of the Football Stadium by the Association; and

**NOW, THEREFORE, BE IT RESOLVED** by the University of Central Florida Board of Trustees:

**Section 1.** The aforementioned Recitals are incorporated herein by reference and made a part hereof.

**Section 2.** The First Amendment and the Operating Agreement (collectively, the "University Documents"), in substantially the forms presented to the Board at this meeting, are hereby authorized and approved.

**Section 3** The President of the University or the Vice President for Administration and Finance, or their respective designee, are both hereby authorized to execute the University Documents and deliver them to the Corporation.

**Section 4.** The Board hereby approves the issuance of the Series 2015 Bonds for the purpose of refinancing the Series 2006 Certificates.

**Section 5.** The President and the Vice President for Administration and Finance are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, consistent with this resolution and in connection with the delivery of the University Documents and refunding of the Series 2006 Certificates and the issuance of the Series 2015 Bonds.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

Adopted this \_\_\_\_\_ day of September, 2015.

**FIRST AMENDMENT TO SUPPORT AGREEMENT  
(Football Stadium Financing)**

**THIS FIRST AMENDMENT TO SUPPORT AGREEMENT** (“Agreement”) is made and entered into as of the 1st day of December, 2015 by and between **THE UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**, a public body corporate, (the “University”) and the **UCF STADIUM CORPORATION**, formerly known as the Golden Knights Corporation, a not-for-profit Florida corporation and certified as a direct support organization of the University (“Stadium Corporation”).

**WHEREAS**, the University previously entered into that certain Ground Lease Agreement dated as of August 1, 2006 (the “Ground Lease”), pursuant to which the University, among other things, leased to Golden Knights Property Corporation (“GKPC”) certain real property described in the Ground Lease (the “Property”); and

**WHEREAS**, the Golden Knights Corporation and the GKPC entered into a Master Lease-Purchase Agreement, dated as of August 1, 2006 (the “Master Lease”), between GKPC, as Lessor, and the Golden Knights Corporation, as Lessee; and

**WHEREAS**, the Golden Knights Corporation issued its Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the “Series 2006A Certificates”) and the Taxable Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the “Series 2006B Certificates” and together with the Series 2006A Certificates, the “Series 2006 Certificates”), the proceeds of which were used to finance the costs of the acquisition, construction and installation of a football stadium (the “Football Stadium”); and

**WHEREAS**, the University, the Golden Knights Corporation and GKPC previously entered into that certain Support Agreement, dated as of August 1, 2006 whereby the University agreed to provide certain financial and other support in connection with the Series 2006 Certificates (the “Original Support Agreement”); and

**WHEREAS**, the Stadium Corporation now desires to prepay and refund all of the Series 2006 Certificates by issuing its UCF Stadium Corporation Refunding Revenue Bonds, Series 2015A (the “Series 2015A Bonds”) and its UCF Stadium Corporation Taxable Refunding Revenue Bonds, Series 2015B (the “Series 2015B Bonds” and together with the Series 2015A Bonds, the “Series 2015 Bonds”) pursuant to the terms and provisions of the Trust Indenture dated as of July 1, 2015 (the “Indenture”) between the Stadium Corporation and [\_\_\_\_\_], as trustee (the “Trustee”); and

**WHEREAS**, in order to facilitate a reduction in the overall cost of borrowing by the Stadium Corporation in connection with the issuance of the Series 2015 Bonds, the University has agreed to continue to provide certain financial support, utilities, and other services as

provided in the Original Support Agreement for the benefit of the Stadium Corporation the holders of the Series 2015 Bonds and any Reserve Product Provider for the Series 2015 Bonds and any Additional Bonds issued as refunding bonds for the Series 2015 Bonds under Section 2.14 of the Indenture, all as set forth hereinafter; and

**WHEREAS**, the Stadium Corporation and the University now desire to amend certain provisions of the Original Support Agreement as provided herein to clarify and confirm that the terms and conditions set forth therein apply to the Series 2015 Bonds.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements set forth hereinafter, the sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I  
RECITALS AND DEFINITIONS**

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Original Support Agreement and the Indenture, as now and hereafter amended, modified or supplemented.

**ARTICLE II  
AMENDMENTS**

**SECTION 2.01** Section 2.01 of the Original Support Agreement is amended and restated in its entirety as follows:

**“UTILITIES.** As long as the Series 2015 Bonds remain Outstanding pursuant to the Indenture, the University hereby agrees to provide and deliver to the Football Stadium, to the boundary line of the Property, potable water, sewer, electricity, chilled water for air conditioning, telephone lines, telecommunications, cable, data, and such other utilities as are made available by the University, or provided by the University, to other University facilities, projects or properties on the University campus, for so long as and to the extent that the University provides the same to other University facilities, projects or properties on the University campus. The University also agrees to provide exterior garbage collection and removal services to the Football Stadium. Additionally, the University agrees to provide storm water retention and detention as reasonably necessary to support the Property and the Football Stadium.”

**SECTION 2.02** Section 2.02 of the Original Support Agreement is amended and restated in its entirety as follows:

**“FINANCIAL SUPPORT.** Pursuant to the Indenture, the Trustee established a Debt Service Reserve Fund for the Series 2015 Bonds. The University agrees and covenants to transfer to the Trustee funds in an amount equal to the Deficiency Amount (defined below) as limited below, in the event the Trustee notifies the University that amounts (a) have been drawn from the Series 2015 Subaccount of the Debt Service Reserve Fund and used to pay the principal of or interest on the Series 2015 Bonds and/or (b) have been paid under or in

connection with a municipal bond debt service reserve insurance policy (the "Reserve Product") securing the Series 2015 Bonds in respect of principal of or interest on such Series 2015 Bonds (such amounts paid, interest thereon and any fees and expenses of the Reserve Product Provider in connection therewith being "Deficiency Amounts"); provided that the University's Deficiency Amounts obligation shall be limited to the maximum annual debt service for the Series 2015 Bonds, it being understood that failure by the University to pay a Deficiency Amount in the year in which it was incurred will not reduce the amount payable in any subsequent year. For the avoidance of doubt, the parties hereto agree that University's Deficiency Amount obligation hereunder in any year shall include (i) any Deficiency Amount incurred in the then current year up to the maximum annual debt service for the Series 2015 Bonds with respect to the current year Deficiency Amount, plus (ii) any unpaid Deficiency Amount incurred in any prior year(s).

Upon receipt of notice from the Trustee as provided above and subject to the next paragraph, the University covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from all Legally Available Revenues, as herein after defined, an amount equal to the Deficiency Amount. Upon being appropriated, and no later than five Business Days prior to the debt service payment coming due, the University shall transfer to the Trustee, the Deficiency Amount for deposit in the Series 2015 Subaccount of the Debt Service Reserve Fund and/or to reimburse the Reserve Product Provider for amounts paid under or in connection with the Reserve Product, including, but not limited to, interest on amounts drawn, and any fees and expenses of the Reserve Product Provider as set forth in [Section 5.07 of the Indenture]. Such covenant and agreement on the part of the University to budget and appropriate such amounts of Legally Available Revenues shall be absolute and unconditional, free from deductions and without any offset, recoupment, diminution or set-off whatsoever. In addition, such covenant and agreement on the part of the University to budget and appropriate such amounts of Legally Available Revenues shall be cumulative to the extent not paid to the Trustee, and a continuing obligation until such Legally Available Revenues are appropriated and paid to the Trustee in amounts sufficient to pay the Deficiency Amount and/or to reimburse the Reserve Product Provider for amounts paid under or in connection with the Reserve Product, including, but not limited to, interest on amounts drawn, and any fees and expenses of the Reserve Product Provider, subject to the limitation described in the immediately preceding paragraph. No lien upon or pledge of such budgeted Legally Available Revenues shall be in effect until such monies are budgeted, appropriated and deposited into the Series 2015 Subaccount Debt Service Reserve Fund. The University further acknowledges and agrees that the obligations of the University to include Deficiency Amounts in each of its annual budgets and to pay such Deficiency Amounts from Legally Available Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Such covenant to budget and appropriate does not preclude the University from pledging in the future its Legally Available Revenues, nor does it require the University to levy and collect any particular Legally Available Revenues, nor does it give the holder of the Series 2015 Bonds a prior claim on the Legally Available Revenues as opposed to claims of general creditors of the University. Such covenant to budget and appropriate Legally Available Revenues is subject in all respects to the prior payment of obligations secured by a pledge of certain auxiliary enterprise funds, indirect cost reimbursement and investment earnings comprising Legally Available Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the University hereunder shall be payable from the portion of Legally Available Revenues budgeted and

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appropriated as provided for hereunder and nothing herein shall be deemed to pledge any funds appropriated by the State of Florida to the University or to permit or constitute a mortgage or lien upon any assets owned by the University or the State of Florida. Notwithstanding any provisions of this Agreement to the contrary, the University shall never be obligated to maintain or continue any of the activities of the University which generate user service charges, regulatory fees or any Legally Available Revenues. Except as provided above, neither this Agreement nor the obligations of the University hereunder shall be construed as a pledge of or a lien on all or any Legally Available Revenues of the University or the State of Florida, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the students, faculty and administration of the University.

For purposes of this Agreement, Legally Available Revenues shall initially mean those funds collected and deposited into the University's various auxiliary enterprise funds, existing fund balances from such auxiliary enterprise funds, indirect cost reimbursement from research contract and grant revenues, as well as, existing fund balances from research contract and grant enterprise funds (subject to any restrictions contained in the associated research contract or grant) and the investment earnings on the University's pooled investments account [and amounts on deposit in the Surplus Fund established under the Indenture]. The University shall also include other revenues that may become legally available to the University on any date hereafter as Legally Available Revenues for the purpose of meeting its obligations hereunder.

In determining the amount of Legally Available Revenues for the immediately prior Fiscal Year, the Authorized Officer shall take into account the amount by which Legally Available Revenues would have increased during such prior Fiscal Year if or as a result of: (i) any rate increase approved by the University Board of Trustees in the prior Fiscal Year shall be treated as if such rate increase was in effect for the entire Fiscal Year, (ii) any rate increase or imposition of a new rate, fee or charge approved by the University Board of Trustees in the prior Fiscal Year and not effective until the current Fiscal Year shall be treated as if such rate, fee or charge was in effect for the entire prior Fiscal Year, and (iii) revenues from rates, fees and charges based on enrollment may be adjusted by applying the enrollment projected for the current Fiscal Year on the services, charges or other deliverables for the prior Fiscal Year. "

**SECTION 2.03** Section 2.03(b) of the Original Support Agreement is amended and restated in its entirety as follows:

"(b) It is anticipated that from time to time the University will conduct events at the Football Stadium and will need to provide parking for attendees of these events in surface parking facilities or structured parking facilities owned by the University and not otherwise being used by the University during such events. The University agrees to permit the Stadium Corporation to use such parking facilities. The University agrees to charge rates at the level and amount requested by the Stadium Corporation and agrees to remit to the Trustee, 75% of the revenues collected during the event ("Event Parking Revenues"), provided, however, the University shall not be required to transfer such Event Parking Revenues to the extent a shortfall exists in its required deposits under the resolution authorizing the outstanding Parking Facility Revenue Bonds. Event Parking Revenues do not include hang tag revenues, parking meter revenues or other fees and charges collected by the University for use of such parking facilities during normal operating hours."

**SECTION 2.04** Section 3.02 of the Original Support Agreement is amended and restated in its entirety as follows:

**“WAIVER OR DEFERRAL OF CHARGES.** The University hereby agrees, to the extent permitted by law, that in the event [System Revenues] available to pay debt service on the Series 2015 Bonds is expected to be less than 1.20 times the debt service payments for the succeeding Fiscal Year, based on the annual budget of the Football Stadium, prepared by the Stadium Corporation in accordance with the provisions of the Indenture, the University shall defer collecting from the Stadium Corporation any amount for all operating and maintenance expenditures until such time as the [System Revenues] available for debt service on the Series 2015 Bonds based on the current annual budget, as amended, is no less than 1.20 times debt service payments for the succeeding Fiscal Year. Any charges deferred or paid pursuant to this provision may be reimbursed to the University from any amounts subsequently available in the Surplus Fund.”

**SECTION 2.05** Article XV **“THIRD-PARTY BENEFICIARY”** is amended and restated in its entirety as follows:

“The Reserve Product Provider is a third-party beneficiary of this Agreement, provided the Reserve Product Provider is not in default of its obligations under the Reserve Product and no amendment to this Agreement will be valid or binding without the prior written consent of the Reserve Product Provider.”

**SECTION 2.06** Article XVI of the Original Support Agreement is amended and restated in its entirety as follows:

**“TERM OF AGREEMENT.** This Agreement shall terminate at such time as the Series 2015 Bonds or any Additional Bonds issued as refunding Bonds under the Indenture are no longer be Outstanding under the provisions of the Indenture and all obligations hereunder have been satisfied.”

**SECTION 2.07** All references to the Series 2006 Certificates in Articles II through XVI of the Original Support Agreement are deemed to mean the Series 2015 Bonds and all references to “GKC” are deemed to mean the Stadium Corporation.

### **ARTICLE III COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

### **ARTICLE IV ORIGINAL SUPPORT AGREEMENT**

Except as amended and modified herein, the Original Support Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the University and the Stadium Corporation have caused this Agreement to be executed as of the day and year first above written.

Signed, sealed and delivered  
in the presence of:

UNIVERSITY OF CENTRAL FLORIDA,  
on behalf of its Board of Trustees

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Dr. John C. Hitt  
Title: President

\_\_\_\_\_  
Print Name: \_\_\_\_\_

UCF STADIUM CORPORATION,  
a not-for-profit Florida corporation

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

## OPERATING AGREEMENT

**THIS OPERATING AGREEMENT** (this "Agreement"), effective as of the 1st day of December, 2015, is between The University of Central Florida Board of Trustees (the "University") a public body corporate of the State of Florida and the UCF Stadium Corporation (the "Corporation") a Florida not-for-profit corporation and certified as a direct support organization of the University.

### WITNESSETH:

Previously, the University granted the Corporation an interest in certain property pursuant to a ground lease agreement (the "Ground Lease") upon which the Corporation constructed the Football Stadium (the "Football Stadium") with the proceeds of the Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006A Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the "Series 2006A Certificates") and the Taxable Certificates of Participation (Golden Knights Corporation Master Lease Program), Series 2006B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Golden Knights Corporation (the "Series 2006B Certificates" and together with the Series 2006A Certificates, the "Series 2006 Certificates").

Pursuant to the provisions of the Master Lease Purchase Agreement, the Corporation had covenanted to operate and maintain the Football Stadium.

The Corporation now desires to refinance the Series 2006 Certificates through the issuance of its UCF Stadium Corporation Refunding Revenue Bonds, Series 2015A (the "Series 2015A Bonds") and its UCF Stadium Corporation Taxable Refunding Revenue Bonds, Series 2015B (the "Series 2015B Bonds" and together with the Series 2015A Bonds, the "Series 2015 Bonds") pursuant to a Trust Indenture, dated as of December 1, 2015 (the "Indenture") by and between the Corporation and the Bank of New York Mellon Trust Company, N.A. (the "Trustee").

Upon prepayment in full of the Series 2006 Certificates, the Ground Lease and the Master Lease will terminate and the ownership of the Football Stadium will revert to the University by operation of law; however the University desires the Corporation continue to operate and maintain the Football Stadium and pledge revenues generated by and through such operation to secure the Series 2015 Bonds.

The UCF Athletics Association, Inc. (the "Association") will manage the Football Stadium on behalf of the Corporation and deposit certain revenues of the Football Stadium with the Trustee pursuant to the terms of that certain Amended and Restated Management and Use Agreement (Football Stadium) by and between the Corporation and the Association, as Manager, dated as of December 1, 2015 (the "Management Agreement").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

In consideration of the premises, and of the mutual covenants and agreements set forth below, the Corporation and the University enter into this Agreement upon the following terms and conditions:

1. Description of the Property. The Football Stadium is located on the main campus of the University in Orlando, Florida.

2. Term. The term of this Agreement shall be for a term of [ ] years but in no event shall this Agreement be terminated prior to the time that all Bonds, and all other amounts due under the Indenture have been paid in full (the "Term"). The Corporation agrees to operate the Football Stadium as provided herein and the University agrees to make the payments (as described below) to the Corporation and the Trustee, as assignee.

3. Payments by the University. The University agrees to pay to the Corporation \$[ ] received from, including, but not limited to, game day and football season ticket sales, Concession Revenues and a percentage of merchandise sales calculated based on [ ].

4. Financial Statements. The Corporation shall cause to be delivered to the University and the Trustee, so long as Bonds remain Outstanding, within the meaning of the Indenture, audited annual financial reports of the Corporation prepared by certified independent auditors. Such annual reports shall be prepared in accordance with generally accepted auditing standards and on an accrual basis and shall be filed with the University no later than 10 days following the receipt by the Corporation of such reports.

In addition the Corporation shall deliver or cause to be delivered to the Trustee:

(i) the annual budget (the "Annual Budget") within 30 days following adoption of such budget by the University;

(ii) concurrently with the delivery of the audited financial statements referred to above, a compliance certificate signed by the Corporation's President or its designee, demonstrating compliance or lack thereof with the provisions of this Agreement and indicating whether an Event of Default has occurred under the Indenture and, if so, what actions the Corporation proposes to take to cure such Event of Default; and

(iii) with reasonable promptness, such other financial data relating to the Corporation and the Football Stadium as the University or the Trustee may reasonably request in writing.

5. Management of Football Stadium. The parties agree that the Association shall be solely responsible for management of the Football Stadium pursuant to the terms of the Management Agreement. The University hereby assigns its rights, title and interests in the Pledged Revenues to the Corporation for the benefit of the holders of the Bonds issued under the Indenture, including the Series 2015 Bonds. The University agrees and grants the Corporation the right to pledge the Pledged Revenues to secure repayment of the Bonds.

6. Maintenance of Improvements. The Corporation shall cause the Association to maintain the Football Stadium in good condition and repair in accordance with the terms of the Management Agreement.

7. Liability/Insurance. The Corporation assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of the Corporation and its officers, employees, servants, and agents thereof while acting within the scope of their agency or employment with the Corporation; provided, however, the parties acknowledge that the Association shall maintain insurance coverage as provided in the Management Agreement. The Corporation and the University agree that nothing contained herein shall be construed or interpreted as (1) denying to either party any remedy or defense available to such party under the laws of the State of Florida; (2) the consent of the State of Florida or its agents and agencies to be sued; or (3) a waiver of sovereign immunity of the State Florida beyond the waiver provided in Section 768.28, Florida Statutes. In addition, the Corporation shall maintain liability and property coverage in an amount required by its risk management policies during the term of this Agreement.

8. Prohibitions Against Liens. Except as otherwise provided in the Indenture each of the Corporation and the University hereby covenant and agree that it will not grant any liens, charges, encumbrances or assignments on the Pledged Revenues. The Corporation and the University shall cause any liens, charges, encumbrances or assignments placed upon the Pledged Revenues not otherwise permitted herein to be immediately removed upon request of the University, the Corporation or the Trustee.

9. Notices. All notices given under this Agreement shall be in writing and shall be served by certified mail to the last address of the party to whom notice is to be given, as designated by such party in writing. The Corporation and the University hereby designate their address as follows:

The University:

University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida 32816  
Attention: William F. Merck, II, Vice President,  
Administration and Finance

with a required copy to:

University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida 32816  
Attention: General Counsel

The Corporation:

University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida 32816  
Attention: William F. Merck, II  
Secretary/Treasurer

with a required copy to:

University of Central Florida  
4000 Central Florida Blvd.  
Orlando, Florida 32816  
Attention: General Counsel

10. Inspection. The University shall have the right, at any and all reasonable times, to enter upon the Football Stadium for the purpose of making inspections to determine whether the Corporation is complying with the terms of this Agreement.

11. Non-Discrimination. The Corporation shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the Football Stadium.

12. Governing Law/Venue. This Agreement shall be governed by and interpreted according to the laws of the State of Florida. Venue for any litigation arising from matters relating to this Agreement shall be in Orange County, Florida.

13. Time of Essence. Time is expressly declared to be of the essence of this Agreement.

14. Binding Effect and Inurement. This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the parties hereto, but nothing contained in this paragraph shall be construed as consent by the University to any assignment of this Agreement or any interest therein by the Football Stadium except to the Trustee under the Indenture. The Trustee is recognized as and shall be deemed to be a third party beneficiary of this Agreement and may enforce the provisions of this Agreement as if it were a party hereto.

15. Duplicate Originals. This Agreement is executed in duplicate originals each of which shall be considered an original for all purposes.

16. Partial Invalidity. If any term, covenant, condition or provision of this Agreement shall be ruled by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

17. Entire Understanding. This Agreement sets forth the entire understanding between the parties and shall only be amended with the prior written approval of the parties hereto.

18. Section Captions. Articles, subsections and other captions contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provisions thereof.

19. Assignment. This Agreement shall not be assigned by the Corporation or University in whole or in part without the prior written consent of the University. Any assignment made either in whole or in part without the prior written consent of the University shall be void and without legal effect. Notwithstanding the foregoing, the Corporation may assign or pledge this Agreement to the Trustee as security for the Series 2015 Bonds issued to prepay and refund the Series 2006 Certificates.

20. No Waiver of Breach. The failure of the University to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this Agreement shall not be construed as a waiver of such covenants, terms and conditions, and the same shall continue in full force and effect, and no waiver of the University of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by the University.

21. Damage to Football Stadium. If any damage to the Football Stadium results from any act or negligence of Corporation, the University may at the University's option repair such damage, and the Corporation will thereupon reimburse to the University the total cost of such repairs and damages to the Football Stadium to the extent allowed by law; provided, however, that the University waives any right of action against the Corporation for any loss or damage to the Football Stadium resulting from fire or other casualty by such act or negligence if the University's insurance policy covers such loss or damage and permits such a waiver and the University actually receives reimbursement for such loss or damage pursuant to such insurance policy.

22. Obligations Limited. The Corporation's obligation hereunder does not constitute a debt, liability or general obligation of the Corporation, the University, the State or any political subdivision of the State, or a pledge of the faith and credit or taxing power of the Corporation, the University, or the State or any political subdivision of the State. Neither the Corporation nor the State shall be obligated or required to levy any ad valorem taxes on any property to pay the principal, premium, if any, or interest on the Series 2015 Bonds or to make payments under this Agreement except from the Pledged Revenues pledged for the payment thereof, in the manner and on the conditions contained in the Indenture. Neither the Series 2015 Bonds nor this Agreement shall constitute or create a lien upon property owned by the Corporation or the University or situated within the territorial limits of the State of Florida.

Attachment C

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first written above.

**UCF STADIUM CORPORATION**, a Florida  
not for profit corporation

By: \_\_\_\_\_  
Name:  
Title:

**THE UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES**, a public body  
corporate

By: \_\_\_\_\_  
Name: William F. Merck, II  
Title: Vice President for Administration  
and Finance

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Acquisition of Partnership IV Facility From Leidos and Cowperwood

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Approve the purchase and sale agreements and subsequent acquisition of the property located at 12809 Science Drive, Orlando, Florida, for the Partnership IV facility to further enhance the government modeling and simulation technology expansion, subject to satisfactory due diligence investigation and completed conditions contained within the agreements.

**BACKGROUND INFORMATION**

The University of Central Florida received a \$20 million appropriation from this legislative session to expand UCF's partnership with the military. Under the proposed transaction, UCF would serve as the acquiring agency to secure the ground lease from Leidos Realty, LLC, and the vertical improvements from Cowperwood Orlando I, LLC, for complete ownership in the name of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. The property would be for the use and benefit of UCF. The total purchase price is estimated to be \$14.05 million, subject to an appraisal.

The purchase and sale agreement will require approval from the State of Florida. A subsequent 90-day due-diligence period and a series of conditions must be completed prior to closing, including simultaneous acquisition of both portions of the property.

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**Supporting Documentation:** Leidos Realty, LLC Purchase and Sale Agreement (Attachment A)  
Cowperwood Orlando I, LLC Purchase and Sale Agreement  
(Attachment B)

**Prepared by:** Jennifer Cerasa, Associate General Counsel

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and  
Chief Financial Officer

Attachment A

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**PURCHASE AND SALE AGREEMENT**

**Between**

**LEIDOS REALTY, LLC,**

**as Seller,**

**and**

**BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT  
TRUST FUND OF THE STATE OF FLORIDA,**

**as Purchaser,**

**and**

**UNIVERSITY OF CENTRAL FLORIDA,  
A PUBLIC UNIVERSITY, ON BEHALF OF ITS BOARD OF TRUSTEES**

**as Acquiring Agency**

**August \_\_\_\_, 2015**

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## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “*Agreement*”) is made and entered into as of the Effective Date specified below, by and between LEIDOS REALTY, LLC, a Delaware limited liability company (“*Seller*”), and the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA (“*Trustees*”) for the use and benefit of the UNIVERSITY OF CENTRAL FLORIDA, a public university, on behalf of its Board of Trustees (“*Acquiring Agency*”). Trustees and Acquiring Agency are referred to jointly as “*Purchaser*”. Trustees’ agent in all matters shall be the Division of State Lands of the Florida Department of Environmental Protection (“*DSL*”).

### Recitals

This Agreement is made with respect to the following facts:

A. Seller owns the following described property (the “*Property*”):

(1) The fee simple interest in that certain real property located in the City of Orlando, Orange County, Florida, as described in Schedule 1 to this Agreement (the “*Land*”), subject to that certain Ground Lease Agreement dated December 29, 2005 between Cowperwood Orlando I, LLC, a Florida limited liability company (“*Ground Tenant*”) and Campus Point Realty Corporation, a California corporation as evidenced in the Memorandum of Lease recorded July 27, 2006 in Official Records Book 8774, Page 4935, Public Records of Orange County, Florida (the “*Ground Lease*”), together with all reversions, remainders, easements, rights-of-way, appurtenances, agreements, licenses, tenements and hereditaments appertaining to or otherwise benefiting or used in connection with the Land or the Improvements (as hereinafter defined);

(2) Any interest of Seller arising under Florida law, or from the Ground Lease, in the improvements located on the Land, including that certain 83,931 square foot, more or less, office building (the “*Building*”) and all fixtures therein (such Building and fixtures are hereinafter collectively referred to as the “*Improvements*”), excluding, however, any such improvements or fixtures which are owned by the subtenants under the below-described Subleases in accordance with the provisions thereof. The Land and the Improvements are located at 12809 Science Drive, Orlando, Florida and are hereinafter collectively referred to as the “*Real Property*”;

(3) Any interest of Seller arising under Florida law, or from the Ground Lease, in the subleases and other occupancy agreements for space in the Building, including all rent, income and proceeds therefrom and security and other deposits made thereunder, and all amendments or modifications thereto and guaranties thereof, which subleases, amendments, modifications and guaranties are described on Schedule 2 attached hereto (the “*Subleases*”);

(4) All right, title and interest of Seller in and to all governmental permits, licenses, certificates and authorizations, including, without limitation, certificates of occupancy,

relating to the construction, use or operation of the Real Property, to the extent the same may be lawfully assigned to Purchaser (the “*Permits*”);

(5) All right, title and interest of Seller in and to all site plans, surveys, plats, plans, soil and substratus studies, architectural, construction, road, drainage and utility drawings, plans and specifications, engineering plans and studies, landscape plans, and other plans and studies of any kind if existing and in Seller’s possession, to the extent that they relate to the Real Property and are assignable (the “*Plans*”); and

(6) Any and all rights, privileges and appurtenances owned by Seller and in any way related to, or used in connection with, the operation of the Real Property, other than the Ground Lease, the Subleases, Permits and Plans (collectively, the “*Intangible Property*”).

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller the Property on the terms and conditions hereinafter set forth.

In consideration of the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, assign and convey to Purchaser, and Purchaser agrees to purchase from Seller, the Property. Pursuant to the provisions of section 253.025, Florida Statutes, no agreement to acquire an interest in real property for purposes of chapter 253, Florida Statutes, with a purchase price of greater than \$100,000, may bind the state until the agreement has been submitted to and approved by the Trustees. As a result, this Agreement becomes legally binding on Trustees only upon approval of this Agreement at a scheduled meeting of the Governor and Cabinet sitting as the Trustees. In addition, the Acquiring Agency must obtain approval of its Board of Trustees. As a result, this Agreement becomes legally binding on Acquiring Agency only upon its approval of the Agreement.

Seller understands and agrees that Purchaser’s obligation to purchase the Property is contingent upon Purchaser simultaneously closing on the acquisition of the Improvements from Ground Tenant and the interest of Ground Tenant in the Ground Lease (the “Ground Lease Acquisition”), as further described in Section 10 below. In the event that Purchaser is unable for any reason to close on the Ground Lease Acquisition and terminate the Ground Lease and Sublease(s) at Closing, then Purchaser may terminate this Agreement, the Initial Deposit shall be returned to Acquiring Agency, this Agreement shall terminate and Purchaser shall be relieved from any further liability hereunder, except for the Surviving Obligations.

2. **Purchase Price.** The purchase price for the Property (the “*Initial Purchase Price*”) will be Three Million Four Hundred Thousand and No/100ths U.S. Dollars (\$3,400,000.00) subject to any adjustments, credits or prorations provided herein, and payable as follows:

2.1. Deposit. Twenty Five Thousand and No/100ths U.S. Dollars (U.S. \$25,000.00) (which amount, together with all interest earned thereon, is hereinafter called the “*Initial Deposit*”), will be paid by Acquiring Agency to Philip L. Logas, P.A., as escrow agent (“*Title Company*”) by wire transfer of immediately available funds within two (2) business days following the Effective Date. No later than the expiration of the Inspection Period (as defined below), if Purchaser elects to proceed with the purchase of the Property, then Acquiring Agency will make an additional deposit to Title Company in the amount of Seventy Five Thousand and No/100ths U.S. Dollars (U.S. \$75,000.00) (the “*Additional Deposit*”). The Initial Deposit and the Additional Deposit are referred to herein collectively as the “*Deposit*”. Title Company will place the Deposit in an interest-bearing account.

2.2. Status of Deposit. If Purchaser elects to proceed with the purchase of the Property, then Acquiring Agency shall pay the Additional Deposit at any time prior to the termination of the Inspection Period, at which time both the Initial Deposit and the Additional Deposit shall become non-refundable except in the event of a default by Seller, the failure to satisfy a Closing Condition, as hereinafter defined or the inability of Seller to render marketable title. Both the Initial Deposit and the Additional Deposit will be applied to the Purchase Price at Closing.

2.3. Cash at Closing. Upon Closing of the transaction contemplated by this Agreement (“*Closing*”), Acquiring Agency shall deliver into escrow with Title Company, by wire transfer of immediately available funds, the balance of the Purchase Price, subject to the adjustments and prorations provided for herein. Seller hereby authorizes Acquiring Agency to issue payment for the Purchase Price directly to Title Company who is authorized by law to receive such payment, and who is acceptable to Purchaser, and to require the Title Company to pay Seller’s expenses of sale and real estate taxes at Closing.

2.4. Approved Value Contingency. The Initial Purchase Price is subject to adjustment in accordance with paragraph 2.5. This Agreement is contingent upon approval of the Final Adjusted Purchase Price, hereinafter defined, by Purchaser and upon confirmation that the Final Adjusted Purchase Price is not in excess of the maximum value of the Property as determined in accordance with section 253.025, Florida Statutes (“*DSL Approved Value*”). The determination of DSL Approved Value and the Final Adjusted Purchase Price can only be made after the completion and DSL’s approval of the survey required in paragraph 3.1.1. If funds in the amount of the Purchase Price are not available to the Acquiring Agency by the Closing, the Closing Date may be extended until such funds become available, not to exceed 60 days after the original Closing Date.

Acquiring Agency agrees that the Trustees shall take fee simple title to all of the Property at the Closing notwithstanding that Acquiring Agency is required to pay all of the Purchase Price. Seller shall convey its entire interest in the Property to the Trustees at Closing in accordance with the provisions of this Agreement. The Purchase Price is the sole responsibility of the Acquiring Agency and the Trustees shall have no obligation under this Agreement to provide any portion of the Purchase Price, and Seller shall have no recourse whatsoever, at law or equity, against the Trustees or the Property relating to the Purchase Price.

2.5. Adjustment of Purchase Price. If, prior to Closing, DSL determines that the Initial Purchase Price exceeds the DSL Approved Value of the Property, the Initial Purchase Price will be reduced to the DSL Approved Value of the Property (herein the “*Final Adjusted Purchase Price*”). If the Final Adjusted Purchase Price is less than 99% of the Initial Purchase Price because of the adjustment provided for in this paragraph 2.5., Seller shall, in Seller’s sole discretion, have the right to terminate this Agreement and no party shall have any further obligations under this Agreement. If Seller elects to terminate this Agreement, Seller shall provide written notice to DSL of Seller’s election to terminate this Agreement within 10 days after Seller’s receipt of written notice from DSL of the Final Adjusted Purchase Price. If Seller fails to give Purchaser a written notice of termination within the aforesaid time period from receipt of DSL’s written notice, then Seller shall be deemed to have waived any right to terminate this Agreement based upon a reduction in the Initial Purchase Price. The Final Adjusted Purchase Price as calculated in this paragraph 2.5 is subject to further adjustment in accordance with the provisions of this Agreement. The Initial Purchase Price and the Final Adjusted Purchase Price, whichever is applicable depending on whether or not an adjustment has occurred under the provisions of this paragraph 2.5, are hereinafter referred to as the “Purchase Price”.

3. Purchaser’s Investigations.

3.1. Seller’s Deliveries. Within ten (10) days after the Effective Date (except as expressly provided to the contrary below), Seller will deliver or cause to be delivered to Purchaser the following (together with any information subsequently delivered by Seller to Purchaser, the “*Property Information*”):

3.1.1. Survey. A copy of the most recent survey of the Real Property in the possession or control of Seller (the “*Survey*”), if any. In addition, Purchaser shall have the right to obtain, at Acquiring Agency’s sole cost and expense, either an update to the Survey or a new ALTA/ACSM Land Title Survey in form and content satisfactory to Purchaser.

3.1.2. Copies. Copies of the following: the Ground Lease; all written Permits, if any; the Plans, if any; property tax bills for the current year and the previous (2) years; and Seller’s most recent Phase I environmental report and soils report, if any.

3.2 Title Insurance Commitment. Within twenty (20) days after the Effective Date of this Agreement, Purchaser shall obtain, at Acquiring Agency’s sole cost and expense, a current title insurance commitment issued by the Title Company as agent for Fidelity National Title Insurance Company (“*Title Underwriter*”), including legible copies of all recorded exceptions to title referred to therein (collectively, the “*Title Commitment*”). Purchaser will review the Title Commitment as part of its investigations hereunder and will have the right to negotiate with Title Company in order to cause Title Company to modify the Title Commitment to reflect only those exceptions to title that are acceptable to Purchaser. In addition, Purchaser shall have until the expiration of the Inspection Period (hereinafter defined) to review the Title Commitment and the Survey. If the Title Commitment shall reflect any exception to which Purchaser delivers written objection on or before expiration of the Inspection Period, Seller shall, at its sole option, notify Purchaser, within five (5) business days of Purchaser’s notice of objections, that it elects to either (x) attempt to cure the objectionable item(s), in which case

Seller shall have until the Closing Date to make such cure, or (y) not to attempt to cure such objectionable items. Seller will be deemed to have elected option (y) above if Seller does not provide a notice within such five (5) business day period. If Seller elects (or is deemed to have elected) either option (y) above, or option (x) above but is not able to make such cure, then, notwithstanding anything to the contrary in this Agreement, Purchaser may at its option terminate this Agreement in accordance with paragraph 3.5 below and receive a refund of the Deposit, whereupon the parties will be relieved from all obligations hereunder except for those obligations which expressly by the terms hereof survive termination of this Agreement (the “*Surviving Obligations*”), or waive its objections to title and proceed in accordance with this Agreement. Subject to paragraph 4.2, and if Purchaser does not terminate this Agreement pursuant to this paragraph 3.5 hereof, then the “*Permitted Exceptions*” hereunder shall be any encumbrance or exception arising from the acts or omissions of Purchaser and the exceptions to title disclosed in the Title Commitment that the Title Company has not agreed to insure over or remove during the Inspection Period, or thereafter, and matters disclosed in the Survey or any update thereof or new survey obtained by Purchaser, excluding (a) any delinquent taxes or assessments and (b) any monetary liens or encumbrances arising by act or omission of Seller. Seller will reasonably cooperate to allow or cause the Title Company to delete the standard printed exceptions of such title policy referring to: (a) all taxes, (b) unrecorded rights or claims of parties in possession, (c) survey matters, (d) unrecorded easements or claims of easements, and (e) unrecorded mechanic’s liens (collectively the “standard exceptions”) that may be deleted or modified from the owner’s title insurance policy to be issued to Trustees at the Closing. Seller will execute such certificates, affidavits or other instruments as the Title Company may reasonably require to issue the Title Policy (defined below), including, if required, any affidavit that states that no changes have been made to the Property since the date of the Survey.

3.3 Environmental Site Assessment. Purchaser, at Acquiring Agency’s sole cost and expense, may conduct an environmental site assessment of the Property to determine the existence and extent, if any, of any Hazardous Materials on the Property. If further investigations, testing, monitoring or environmental site assessments are required by DSL or Acquiring Agency to determine the existence or extent of Hazardous Materials on the Property, Purchaser, at its sole option, may elect to extend the Inspection Period, hereinafter defined, to conduct such procedures at the Acquiring Agency's sole cost and expense, provided that such extension shall not exceed 60 days.

3.3.1. If the environmental site assessment provided for in paragraph 3.3 confirms the presence of Hazardous Materials on the Property, Purchaser, at its sole option, may elect to terminate this Agreement, receive a full return of the Deposit, and neither party shall have any further obligations under this Agreement. Should Purchaser elect not to terminate this Agreement, Seller shall, at Seller's sole cost and expense and prior to closing, promptly commence and diligently pursue any assessment, clean up and monitoring of the Property necessary to bring the Property into full compliance with Environmental Law to DSL’s satisfaction in its sole discretion.

3.3.2. However, notwithstanding the foregoing, should the estimated cost to Seller of clean-up of Hazardous Materials exceed a sum which is equal to 2% of the Initial Purchase Price, Seller may elect to terminate this Agreement, return the Deposit to Purchaser,

and neither party shall have any further obligations under this Agreement. If Hazardous Materials placed on the Property by Seller or with Seller's actual knowledge and prior to closing are discovered after closing, Seller shall remain obligated hereunder, with such obligation to survive the closing, delivery, and recording of the Assignment and Assumption of Ground Lease described in paragraph 11.2.1 of this Agreement and Purchaser's possession of the Property, to diligently pursue and accomplish the clean-up of Hazardous Materials in a manner consistent with all applicable Environmental Laws and at Seller's sole cost and expense.

3.3.3. Further, if neither party elects to terminate this Agreement as provided above, Seller shall indemnify and save harmless and defend Purchaser, its officers, servants, agents and employees from and against any and all claims, suits, actions, damages, liabilities, expenditures or causes of action of whatsoever kind arising from Hazardous Materials placed on the Property during Seller's ownership thereof or those Hazardous Materials of which Seller has actual knowledge. Seller shall defend, at Seller's sole cost and expense, any legal action, claim or proceeding instituted by any person, entity, or agency against Purchaser as a result of any claim, suit, or cause of action for injuries to body, life, limb or property for which Hazardous Materials placed on the Property during Seller's ownership or those Hazardous Materials of which Seller has actual knowledge that are alleged to be a contributing legal cause. Seller shall save Purchaser harmless from and against all judgments, orders, decrees, attorney's fees, costs, expenses and liabilities in and about any such claim, suit, investigation or defense thereof, which may be entered, incurred or assessed as a result of the foregoing.

3.3.4. The limitation herein on Seller's contractual obligation to indemnify Purchaser as specified herein shall not be construed to limit Seller's legal liability under any Environmental Law for Hazardous Materials located on the Property or to limit Purchaser's legal and equitable remedies against Seller under any Environmental Law for Hazardous Materials located on the Property.

3.4 Inspection Period. Purchaser will have until 5:00 p.m., Eastern Time, on the date that is ninety (90) days after the Effective Date (the "*Inspection Period*") to investigate the Property and all matters relevant to its acquisition, ownership and operation. Such right of investigation will include, without limitation, the right to have made, at Acquiring Agency's expense, any non-invasive studies or inspections of the Property that Purchaser may deem necessary or appropriate. Seller agrees to cooperate reasonably with any such investigations, inspections or studies made by or at Purchaser's direction so long as such cooperation is at no expense or liability to Seller. Purchaser shall conduct all such inspections at its own risk and in a reasonable manner consistent with and not likely to disturb the normal operations of the Property and so as to minimize disruption to the subtenants of the Property. Promptly after undertaking any testing or inspection, Purchaser shall restore the Property to substantially its condition prior to any such test or inspection.

3.5 Termination. If, on or before the expiration of the Inspection Period, Purchaser gives Seller written notice setting forth Purchaser's dissatisfaction with the Property for any reason whatsoever in Purchaser's sole discretion, or for no reason, and states in such notice Purchaser's election to terminate this Agreement, then the Initial Deposit shall be returned to Acquiring Agency, this Agreement shall terminate and Purchaser and Seller shall be relieved from any further liability hereunder, except for the Surviving Obligations. If Purchaser does not

terminate this Agreement as described in the preceding sentence, then this Agreement shall remain in full force and effect in accordance with its terms, and the Deposit shall become nonrefundable, upon satisfaction of the Closing Conditions as hereinafter defined.

3.6 Indemnity. To the extent permitted by Florida law, Acquiring Agency agrees to indemnify and hold Seller harmless from any claim, demand, liability, lien, cost or expense asserted against Seller or the Property arising out of or resulting from Purchaser's or its employees', agents', representatives' or contractors' investigations of the Property prior to Closing, to pay Seller all reasonable costs and expenses, including reasonable attorneys' fees, incurred in defending any such matter, and to repair any damages resulting to the Property due to such investigations or, if requested by Seller, reimburse Seller for all direct expenses incurred by Seller in repairing such damages if Acquiring Agency does not promptly repair such damages. Notwithstanding any other terms and provisions of this Agreement to the contrary, this indemnification, repair and reimbursement obligation of Acquiring Agency will survive any termination of this Agreement.

3.7 Return of Property Information. If this Agreement is terminated for any reason, Purchaser shall promptly (and in any event within ten (10) days thereafter) deliver to Seller all Property Information and other documents delivered to Purchaser (its agents, representatives or designees) by Seller or Seller's agents, representatives or employees pursuant to this Agreement, together with originals of all engineering reports, environmental studies, sales reports, appraisals and other studies and reports obtained by Purchaser with respect to the Property. Purchaser shall confirm in writing that it has returned all documents as required herein. Purchaser shall not be liable to Seller for the accuracy or inaccuracy of any such studies or reports obtained by Purchaser or for any effect that any information contained in such studies or reports has or could have on the value of the Property.

3.8 Ground Tenant Estoppel. Seller shall use commercially reasonable efforts to secure and deliver to Purchaser, prior to the end of the Inspection Period, an estoppel certificate (the "Estoppel") from the Ground Tenant substantially in the form of Exhibit A hereto.

#### 4. Title.

4.1. Issuance of Title Policy. At Closing, Acquiring Agency will cause the Title Company to issue, or unconditionally commit to issue, to Trustees its fee simple policy of title insurance insuring in the amount of the Purchase Price that Seller's interest in the Land is now vested in Trustees, subject only to the Permitted Exceptions (the "*Title Policy*"). Acquiring Agency will be solely responsible for satisfying any requirements that Title Company may impose specifically with respect to Purchaser, with any necessary cooperation from Seller, such as, for example, requirements with respect to Purchaser's organizational status or authority to complete the transaction.

4.2. Subsequent Title Defects. If, subsequent to the expiration of the Inspection Period and prior to Closing, Purchaser notifies Seller of the existence of any encumbrance, encroachment, defect in or other matter materially and adversely affecting title to

the Property, which was not reflected on either (i) the Title Commitment, issued or updated prior to the expiration of the Inspection Period, or (ii) the Survey (or any update thereto obtained by Purchaser prior to the expiration of the Inspection Period), which subsequently discovered defect is unacceptable to Purchaser in Purchaser's reasonable discretion, other than any delinquent taxes or assessments or any monetary liens or encumbrances created by, through or under Seller which Seller is obligated to remove under this Agreement prior to Closing pursuant to paragraph 12.6 (a "*Subsequent Defect*"), Seller may use such efforts as it may, in its sole judgment, deem appropriate to remove or cure such Subsequent Defect of title prior to Closing. Seller will have no obligation, however, to cure any Subsequent Defect unless caused by or arising by, through or under Seller. If Seller does not or is unable to so remove or cure all Subsequent Defects prior to Closing, Purchaser may (i) waive all such uncured Subsequent Defects and accept such title as Seller is able to convey as of Closing without any adjustment of the Purchase Price; or (ii) terminate this Agreement, whereupon Title Company will return the Deposit to Acquiring Agency, and all parties will be relieved of any further obligations hereunder, except for the Surviving Obligations.

5. **Seller's Representations and Warranties.**

5.1. **Representations and Warranties.** As a material inducement to Purchaser entering into this Agreement, Seller represents, warrants and covenants to Purchaser that the following matters are true as of the Effective Date and will be true as of the Closing Date:

5.1.1. **Authority.** Seller is a limited liability company duly organized and existing and in good standing under the laws of the State of Delaware and is authorized to conduct business in the State of Florida. Seller has full right and authority to enter into this Agreement and consummate the transaction contemplated hereby. All requisite corporate action has been taken by Seller in connection with the entering into this Agreement and the instruments referenced herein and the consummation of the transaction contemplated hereby. Each of the persons signing this Agreement on behalf of Seller is authorized to do so.

5.1.2. **No Options.** Except as reflected in the Permitted Exceptions, Seller has not granted to any party other than Purchaser any option, right of first refusal, contract or other agreement with respect to a purchase, transfer, sale or assignment (other than a leasehold interest pursuant to a Ground Lease) of the Property or any part thereof or any existing right of first refusal has been waived.

5.1.3. **Consents; Binding Obligations; Violations.** All consents and approvals which may be required in order for Seller to enter into this Agreement or consummate the transaction contemplated hereby have been obtained. This Agreement and all documents required hereby to be executed by Seller are and will be valid, legally binding obligations of and enforceable against Seller in accordance with their terms. Neither the execution of this Agreement nor the consummation of the transaction contemplated hereby will be in violation of any judgment, order, permit, writ, injunction or decree of any court, commission, bureau or agency to which Seller is subject or by which Seller is bound, or constitute a breach or default under any agreement or other obligation to which Seller is a party or otherwise bound.

5.1.4. Ground Lease. The Ground Lease is in full force and effect, has not been amended, modified or supplemented except as disclosed to Purchaser, and there are no existing defaults by either party thereto and there are no facts or circumstances existing which, with the giving of notice or the passage of time, or both, would constitute a default by either party thereto. The Ground Tenant has not exercised an option to purchase or right of first refusal.

5.1.5. INTENTIONALLY DELETED.

5.1.6. Parties in Possession. Except for any parties in possession pursuant to, and any rights of possession granted under, the Ground Lease or the Permitted Exceptions, there are no parties in possession of any part of the Land, and there are no other rights of possession which have been granted by Seller to any third party or parties.

5.1.7. Defaults. To the extent of Seller's actual knowledge, Seller is not in material default under any of the Permitted Exceptions.

5.1.8. Condemnation. Seller has no actual knowledge of any pending or threatened condemnation, expropriation, eminent domain or similar proceeding affecting all or any portion of the Property.

5.1.9. Environmental Matters. To the extent of Seller's actual knowledge (i) there are no Hazardous Materials present on or under the Real Property in any quantity or manner that violates any Environmental Law now in effect; and (ii) there are no underground fuel storage tanks at the Real Property.

5.1.9.1. Seller has not placed, or permitted to be placed, any Hazardous Materials on the Property and, to the best of Seller's actual knowledge no other person or entity has placed, or permitted to be placed, any Hazardous Materials on the Property.

5.1.9.2. To the best of Seller's actual knowledge, there does not exist on the Property any condition or circumstance which requires or may, in the future, require cleanup, removal or other remedial action or other response under Environmental Laws on the part of Seller or a subsequent owner of all or any portion of the Property or which would subject Seller or a subsequent owner of all or any portion of the Property to liability, penalties, damages or injunctive relief.

5.1.9.3. To the best of Seller's actual knowledge, no underground treatment, buried, partially buried or above ground storage tanks, storage vessels, sumps, drums, containers, water, gas or oil wells, or landfills are or have ever been located on the Property.

- 5.1.9.4. Seller, and to the best of Seller's actual knowledge, any other person or entity that has owned, occupied or possessed the Property, has never violated, and is presently in compliance with, all Environmental Laws applicable to the Property.
- 5.1.9.5. No warning notice, notice of violation, administrative complaint, judicial complaint or other formal or informal notice has been issued to Seller by any federal, state or local environmental agency alleging that conditions on the Property are in violation of any Environmental Law.
- 5.1.9.6. Seller is not subject to any judgment, decree, order or citation related to or arising out of Environmental Laws, and Seller has not been named or listed as a potentially responsible party by any governmental body or agency in a matter arising under any Environmental Law.

5.1.10. Violations. To the extent of Seller's actual knowledge, there is no existing material violation of any law, code, ordinance, rule or regulation of any governmental authority having jurisdiction over the Real Property, or any insurance policy covering the Real Property, with respect to the Real Property or its operation.

5.1.11. Special Assessments. To the extent of Seller's actual knowledge, the Real Property is not situated within any special assessment district other than the districts revealed by the most recent statement for real property taxes for the Real Property.

5.1.12. Litigation. Seller has no actual knowledge of any pending or threatened judicial, municipal or administrative proceedings affecting the Property. To Seller's actual knowledge, there is no pending or threatened litigation or dispute involving or concerning the Property.

5.1.13. Liens. Seller has no actual knowledge of any mechanics' liens, claims of lien or other claims against the Property and that Seller has no unpaid bills for labor or services performed on, or for materials supplied to the Property, except for those unpaid bills which will be paid prior to the Closing or paid by Seller with funds to be escrowed from the Closing proceeds.

5.1.14. Certification Regarding Terrorism. Seller hereby certifies that to the best of Seller's actual knowledge, after making all appropriate inquiries, Seller is in compliance with, and shall use all funds derived from the sale of the Property in compliance with all applicable anti-terrorism laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001, 18 U.S.C. sections 2339A-C, and U.S. Presidential Executive Orders 12947 and 13224.

5.2. Effective Date, Survival. All of the representations and warranties made by Seller in this paragraph 5 are made as of the Effective Date. At Closing, Seller shall

deliver to Purchaser a certificate pursuant to which Seller shall reaffirm the representations and warranties made by Seller in paragraph 5.1 as of the date of Closing. All of such representations shall survive Closing for a period of twenty-four (24) months following Closing.

5.3. Actual Knowledge Defined. For purposes of this Agreement, the phrase “Seller’s actual knowledge” or comparable phrase means the present, actual knowledge of Seller, without duty of inquiry or investigation.

6. Acquiring Agency’s Representations and Warranties.

6.1. Representations and Warranties. Acquiring Agency represents and warrants to Seller as follows:

6.1.1. Authority. Acquiring Agency is a public university duly organized and existing under the laws of the State of Florida. Pursuant to section 1001.706(7)(a), Florida Statutes, title to the Property shall vest in the Trustees. Subject to approval by the Trustees as described in paragraph 1, Purchaser has full right and authority to enter into this Agreement and consummate the transaction contemplated hereby. Each of the persons signing this Agreement on behalf of Purchaser is authorized to do so.

6.1.2. Consents; Binding Obligations; Violations. After approval set forth in in paragraph 1, this Agreement and all documents required hereby to be executed by Purchaser are and will be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms. Neither the execution of this Agreement nor the consummation of the sale will be in violation of any judgment, order, permit, writ, injunction or decree of any court, commission, bureau or agency to which Purchaser is subject or by which Purchaser is bound, or constitute a breach or default under any agreement or other obligation to which Purchaser is a party or otherwise bound.

6.2. Effective Date; Survival. All of the representations and warranties made by Purchaser in this paragraph 6 are made as of the Effective Date. At Closing, Seller shall deliver to Purchaser a certificate pursuant to which Seller shall reaffirm the representations and warranties made by Seller in paragraph 6.1 as of the date of Closing. All of such representations shall survive Closing for a period of twenty four (24) months following Closing.

7. “As Is” Purchase.

7.1. Disclaimer. **EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5 ABOVE, AND IN SELLER’S ASSIGNMENT AND ASSUMPTION OF GROUND LEASE TO PURCHASER AT CLOSING OR AS EXPRESSLY PROVIDED IN THIS AGREEMENT (COLLECTIVELY THE “EXPRESS WARRANTIES”), SELLER HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, EXPRESS OR IMPLIED, PAST, PRESENT OR FUTURE, OF, AS TO OR CONCERNING (I) THE NATURE, QUALITY, AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, AND GEOLOGY THEREOF, (II) THE SUITABILITY OF THE PROPERTY FOR ANY ACTIVITIES AND USES WHICH**

PURCHASER MAY ELECT TO CONDUCT THEREON, INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT THERETO, OR THE HABITABILITY, MERCHANTABILITY OR FITNESS THEREOF FOR A PARTICULAR PURPOSE; (III) THE MANNER OF CONSTRUCTION AND CONDITION AND STATE OF REPAIR OR LACK OF REPAIR OF ANY IMPROVEMENTS THEREON; EXCEPT FOR THE EXPRESS WARRANTIES, SELLER DOES NOT MAKE ANY REPRESENTATIONS REGARDING HAZARDOUS WASTE, AS DEFINED BY THE LAWS OF THE STATE OF FLORIDA OR THE UNITED STATES OF AMERICA, AND ANY REGULATIONS ADOPTED PURSUANT THERETO OR THE COMPLIANCE OF THE PROPERTY WITH ANY SUCH LAWS. EXCEPT FOR THE EXPRESS WARRANTIES, PURCHASER AGREES TO ACCEPT THE PROPERTY AT CLOSING IN ITS PRESENT AS IS, WHERE IS, WITH ALL FAULTS CONDITION.

7.2. Acknowledgements. PURCHASER ACKNOWLEDGES AND AGREES THAT (i) PURCHASER IS REPRESENTED BY COUNSEL IN THIS TRANSACTION, (ii) PRIOR TO THE CLOSING PURCHASER WILL HAVE INSPECTED THE PROPERTY TO PURCHASER'S SATISFACTION, AND (iii) PURCHASER AND/OR ITS CONSULTANTS ARE QUALIFIED TO MAKE SUCH INSPECTION. EXCEPT FOR THE EXPRESS WARRANTIES, PURCHASER: (1) ACKNOWLEDGES THAT IT IS FULLY RELYING ON ITS OWN INSPECTIONS OF THE PROPERTY AND NOT UPON ANY STATEMENT (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE BY SELLER OR ANY OF SELLER'S REPRESENTATIVES; (2) ACKNOWLEDGES THAT IT HAS THOROUGHLY INSPECTED THE PROPERTY TO THE EXTENT DEEMED NECESSARY IN ORDER TO EVALUATE THE CONDITION THEREOF, AND IS RELYING SOLELY UPON SUCH INSPECTION; AND (3) ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE INTEGRAL PARTS OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS.

7.3. Reliance. Except for the Express Warranties, Purchaser is not relying on any representation or promise made by Seller at any time and Purchaser hereby disclaims reliance on representations by Seller or any one acting on behalf of Seller and surrenders any right to sue based on any representations of the Seller not contained in this Agreement.

7.4. Survival. The provisions of this paragraph 7 will survive Closing or any termination of this Agreement.

8. Covenants of Seller. Seller hereby covenants with Purchaser as follows:

8.1. Ground Lease. Following the Effective Date, Seller will not execute or commit to enter into any modification, amendment or termination of the Ground Lease without Purchaser's prior written approval. If Seller desires to enter into any modification or amendment to the Ground Lease, Seller will deliver written notice to Purchaser requesting Purchaser's approval thereof and providing therewith the most current draft of the proposed modification or amendment. Seller also agrees to provide any other information in Seller's possession concerning the Ground Lease which Purchaser reasonably requests. Seller shall perform all obligations required to be performed by it under the Ground Lease in a timely

manner. Seller shall promptly deliver to Purchaser any notice sent to or received after the Effective Date pursuant to the Ground Lease.

8.2. New Agreements. Following the Effective Date, Seller will not enter into any new agreements which would affect the use, operation or enjoyment of the Property after Closing, without Purchaser's prior written consent.

8.3. Operation of Property Until Closing. Prior to Closing, Seller will perform when due all of its obligations under the Ground Lease, its Sublease and the Permitted Exceptions.

8.4. INTENTIONALLY DELETED

8.5. INTENTIONALLY DELETED

8.6. No Further Encumbrances. Prior to the Closing, Seller will not grant any new deed of trust, mortgage, lien, security interest or other encumbrance encumbering the Property or Seller's interest therein.

8.7. Miscellaneous Covenants. After the date of this Agreement and prior to Closing, Seller agrees: (i) to pay, prior to delinquency, all real property taxes which become due and payable with respect to the Property; (ii) to make no change in the zoning classification of the Real Property; and (iii) to cause to be maintained all property and liability insurance historically carried in connection with the Real Property.

9. Conditions Precedent. Unless waived by the party entitled to the benefit thereof, the obligations of either party to close under this Agreement are subject to satisfaction of the conditions that all representations and warranties of the other party contained in this Agreement are true and correct in all material respects as of Closing and that the other party has performed all material covenants, agreements and obligations required to be performed by it under this Agreement.

10. Closing Conditions. The obligations of either party to close under this Agreement are additionally subject to the occurrence of the following conditions ("Closing Conditions"): (i) Purchaser's simultaneous closing on the Ground Lease Acquisition (as defined in Section 1 above); (ii) all necessary approvals by the Board of Governors, Board of Trustees, or the State of Florida Governor and Cabinet approval as may be necessary for Closing or Purchaser obtaining the necessary funding to close; (iii) Purchaser obtaining an appropriation by the Legislature; (iv) Acquiring Agency obtaining a termination of those certain obligations regarding building a parking garage or deck pursuant to that certain Development and Easement Agreement with the Orange County Research and Development Authority; and (v) Acquiring Agency obtaining proof that Acquiring Agency may install a force protection fence which shall be satisfactory to Acquiring Agency in its sole discretion (the "Fence").

11. Closing. Purchaser and Seller agree that the purchase of the Property will be consummated as follows:

11.1 Closing Date. Closing will occur on the date that is ninety (90) days following the expiration of the Inspection Period, unless extended by the terms of this Agreement, or such earlier date as may be mutually agreed to by the parties, and simultaneously with the Ground Lease Acquisition (as set forth in the Closing Conditions) (the “*Closing Date*”).

11.2 Closing Documents. Seller and Purchaser will deliver or cause to be delivered to each other at Closing, as appropriate, the following items (all documents will be duly executed and acknowledged where required):

11.2.1 Special Warranty Deed. A Special Warranty Deed, in the form attached hereto as Exhibit B, conveying to Trustees all of Seller’s right, title and interest in and to the Real Property, subject only to the Ground Lease and the Permitted Exceptions.

11.2.2 Assignment of the Ground Lease. A document, in form reasonably acceptable to Purchaser and Seller, assigning Seller’s interest in the Ground Lease to Purchaser. Seller will agree to indemnify, protect, defend and hold Purchaser harmless from and against any and all claims, damages, losses, liabilities, costs and/or expenses, including reasonable attorneys’ fees, asserted against or suffered or incurred by Purchaser as a result of or in connection with any liabilities or obligations arising under the Ground Lease prior to Closing.

11.2.3 General Assignment. A general assignment, in the form attached hereto as Exhibit E, pursuant to which Seller will assign to Trustees all of Seller’s right, title and interest in and to the Permits, the Plans and the Intangible Property.

11.2.4 Title Policy. The Title Policy or an unconditional commitment by Title Company to issue the Title Policy promptly after Closing.

11.2.5 Non-Foreign Affidavit. An affidavit of Seller that evidences that it is exempt from the withholding requirements of Section 1445 of the Code.

11.2.6 State Specific Documents. Any disclosures, reports, instruments or other documents required by the Title Company or the laws of the State of Florida in order to consummate the sale of the Property. Specifically, within ten (10) days of Seller’s execution of this Agreement, Purchaser will deliver to Seller and Seller will confirm accuracy, execute and return to Purchaser, a properly completed and executed beneficial interest affidavit and disclosure statement as required by Sections 286.23, 375.031(1) and 380.08(2), Florida Statutes.

11.2.7 Settlement Sheets and Funds. Settlement statements reflecting the Purchase Price and all adjustments and prorations to be made thereto pursuant to this Agreement including, without limitation, paragraph 12 below, together with any amounts, in immediately available funds, required to be paid by either party thereunder.

11.2.8 Updated Certificates. Seller will deliver to Purchaser a duly executed certificate as contemplated by paragraph 5.2 hereof on DSL’s standard approved forms.

Purchaser will deliver to Purchaser a duly executed certificate as contemplated by paragraph 6.2 hereof.

11.3 Further Documents. Seller and Purchaser will execute and deliver such other documents and will take such other action at Closing as may be necessary or appropriate to carry out their respective obligations under this Agreement, without further representations or warranties other than those contained herein.

11.4 Possession, Additional Deliveries. On the Closing Date, Seller will deliver to Purchaser, any keys to the Improvements, Permits and the Plans to the extent in Seller's possession.

12. Adjustments and Prorations. The following adjustments and prorations will be made at Closing and reflected, where appropriate, on the settlement sheets described in paragraph 10 above:

12.1. Intentionally Deleted

12.2. Ground Lease. To the extent applicable, rents payable under the Ground Lease for the month of Closing will be prorated between Seller and Acquiring Agency through the Closing Date. Seller will pay all such amounts due under the Ground Lease and attributable to any period on or prior to the Closing Date. Acquiring Agency shall pay all amounts due under the Ground Lease and attributable to any period after the Closing Date.

12.3. Ad Valorem Taxes. To the extent real estate and personal property taxes attributable to the Property are not paid by Ground Tenant, all real estate and personal property taxes attributable to the Property shall be paid by Seller at Closing pursuant to section 196.295, Florida Statutes. Seller shall pay all such taxes due and payable at Closing and which are attributable to the Property for any period on or prior to the Closing Date. If Trustees acquire title to the Property between January 1 and November 1, Seller shall, in accordance with section 196.295, Florida Statutes, place in escrow with the county tax collector an amount equal to the current taxes prorated to the date of transfer, based upon the current assessment and millage rates on the Property. If Trustees acquire title to the Property on or after November 1, Seller shall pay to the county tax collector an amount equal to the taxes that are determined to be legally due and payable by the county tax collector. Notwithstanding the foregoing, Purchaser acknowledges that real estate taxes attributable to the Property are payable by Ground Tenant through the date of Closing under the terms of the Ground lease. Nothing in this Agreement is intended to prevent Seller from collecting such tax amounts from Ground Tenant at or prior to Closing, and Purchaser will reasonably cooperate with Seller at Seller's request (but at no expense to Purchaser) to cause the real estate taxes to be allocated as between Seller and Ground Tenant in the manner provided in the Ground Lease.

12.4. Operating Expenses. Operating Expenses attributable to the Land, if any, shall be prorated at Closing. Seller will pay all operating expenses attributable to the Land, if any, through the Closing Date.

12.5. Documentary Stamp Taxes. Seller shall pay all documentary stamp taxes on the Deed associated with the conveyance, if any, of the Property to Trustees.

12.6 Closing Costs. In addition to the allocation of costs set forth in other provisions of this Agreement, (i) Seller shall be responsible for the payment of: (a) the cost of satisfying any liens on the Property if required herein, (b) the cost to cure title defects to the extent agreed to by Seller, (c) the fees of Seller's attorneys, and (d) the Broker's commission as set forth in Section 14 below; and (ii) Acquiring Agency shall be responsible for the payment of: (a) all costs of conducting its investigations of the Property, (b) all title insurance premiums attributable to the cost of the Title Policy including, without limitation, the cost of any special endorsements to such Title Policy (excluding the costs referenced above with respect to Seller's cure of title objections if agreed to by Seller), (c) the fees of Purchaser's attorneys, (d) all nominal recording costs, (e) the cost for any new or re-certified Survey obtained by Purchaser, and (e) any expenses of financing the Purchase Price including, but not limited to, appraisals and documentary stamp taxes on any mortgage with accompanying intangible tax.

12.7 Date of Prorations. The prorations and adjustments provided for in this Section 12 shall be made so that the Acquiring Agency shall receive the income and be charged with the expense of the operation of the Property on or after the Closing Date and Seller shall receive the income and be charged with the expense of operation of the Property before the Closing Date.

12.8 Survival. The parties' obligations under this paragraph 12, to the extent not fully discharged by or through Closing, will survive Closing and remain fully enforceable thereafter.

13. Casualty Damage. In the event that the Improvements should be damaged by any casualty prior to Closing, and if such event of casualty is of such a nature or extent as to give Purchaser the right to terminate the Ground Lease Acquisition under the terms of Purchaser's agreement with Ground Tenant related thereto, then in such event Purchaser shall also have a right to terminate this Agreement by notice to Seller given within ten (10) days after notice of termination is given to Ground Tenant, which notice to Seller will be accompanied by a copy of Purchaser's termination notice to Ground Tenant. Upon such termination, the Title Company will return the deposit to Purchaser and both parties will be relieved of any further obligations hereunder, except the Surviving Obligations.

14. Condemnation.

14.1. Notice. If prior to Closing Seller learns of any actual or threatened taking in condemnation or by eminent domain (or a sale in lieu thereof) of all or any portion of the Real Property, Seller will notify Purchaser promptly thereof.

14.2. Termination. Other than with respect to an "*Immaterial Taking*" (as defined below), any actual or threatened taking or condemnation for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or by any right of eminent domain of all or any part of the Real Property between the date of this Agreement and the Closing Date will, at Purchaser's option, cause a termination of this Agreement. The election to

terminate provided hereby must be exercised by Purchaser (or will be deemed to have been waived) by notice to Seller to that effect given within fifteen (15) days following Purchaser's receipt of Seller's notice pursuant to paragraph 14.1 above. Upon delivery of such termination notice, the Title Company will return the Deposit to Purchaser and both parties will be relieved of any further obligations hereunder, except for the Surviving Obligations. If Purchaser does not elect to so terminate this Agreement, or in the event of an Immaterial Taking, Seller will be relieved of all obligations under this Agreement with respect to the portion of the Real Property so taken or condemned, but Purchaser will be entitled to receive all proceeds of any such taking or condemnation, and Seller agrees that it will not make any adjustment or settlement of any such taking or condemnation proceeding without Purchaser's consent and will take at Closing all action necessary to assign its entire interest in such award to Purchaser. Any taking or condemnation for any public or quasi-public purpose or use which does not affect access, reduce parking or take any part of the Improvements will be deemed an "*Immaterial Taking*."

15. **Brokers and Commissions.**

15.1. **Commissions.** If, as and when Closing occurs and Seller receives the Purchase Price, Seller will pay to Matthew T. McKeever, CCIM, SIOR of Cushman & Wakefield, Purchaser's broker, and JLL, Seller's Broker (collectively "Broker"), a commission equal to 2% to each such broker, based on the Purchase Price, pursuant to the terms of a separate agreement for services rendered in connection with this transaction. Seller agrees to indemnify and hold Purchaser harmless from and against any loss, liability, damage, cost or expense (including, without limitation, court costs and reasonable attorneys' fees) paid or incurred by Purchaser by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Seller.

15.2. **Survival.** The Seller's and Acquiring Agency's obligations under this paragraph 15 will survive Closing or any termination of this Agreement and remain fully enforceable thereafter.

16. **Remedies.**

16.1. **Seller's Default.** In the event that Seller shall fail to perform any of the material covenants or agreements contained herein which are to be performed by Seller, and such default continues uncured for ten (10) days after written notice specifying such default from Purchaser to Seller, Purchaser may, at its option, either (a) terminate this Agreement by giving written notice of termination to Seller, whereupon the Title Company shall return the Deposit to Purchaser and both Purchaser and Seller shall be relieved of any further obligations or liabilities hereunder except for Surviving Obligations; or (b) seek (i) direct (and not consequential) damages in the amount of Purchaser's third-party out-of-pocket expenses reasonably incurred in connection with Seller's default, or (ii) specific performance of this Agreement and direct (and not consequential) damages in the amount of Purchaser's third-party out-of-pocket expenses reasonably incurred in connection with Seller's default.

16.2 Purchaser's Default. In the event that Purchaser shall fail to perform any of the material covenants or agreements contained herein which are to be performed by Purchaser and such default continues uncured for ten (10) days after written notice specifying such default from Seller to Purchaser, Seller may, at its option, and as its sole and exclusive remedy, terminate this Agreement by giving written notice of termination to Purchaser, whereupon the Title Company shall pay the Deposit to Seller as liquidated damages and in full and complete settlement of any and all claims, and both Purchaser and Seller shall be relieved of any further obligations or liabilities hereunder except for Surviving Obligations. The parties acknowledge that Seller's actual damages in the event of a default by Purchaser under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages.

16.3 Indemnities; Defaults after Closing or Termination. The limitations on the parties' remedies set forth in paragraphs 16.1 and 16.2 will not be deemed to prohibit either Seller or Acquiring Agency from (i) seeking indemnification from the other for any matter with respect to which such other party has agreed hereunder to provide indemnification or from seeking damages from such other party in the event it fails or refuses to provide such indemnification; (ii) seeking damages incurred during the period of time after Closing that a representation or warranty given as of the Closing Date by the other party hereunder survives Closing, for the other party's breach of such representation or warranty discovered after such Closing; (iii) seeking damages or such equitable relief as may be available for the other party's failure to perform after Closing hereunder any obligation hereunder which expressly survives Closing; or (iv) seeking damages or such equitable relief as may be available for the other party's failure to perform after any termination of this Agreement any Surviving Obligations; provided, however, that in no event will either party be entitled to recover from the other any punitive, consequential or speculative damages, and no party may claim indemnification or damages of any kind from Trustees.

17. General Provisions. The parties further agree as follows:

17.1. Confidentiality. To the extent not in conflict with Chapter 119, Florida Statutes, each party shall hold in strict confidence all documents and information concerning the other and its business and properties and if the transaction contemplated hereby should not close, such confidence shall be maintained, and all such documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing the same. No public disclosure, either written or oral, of the existence or terms of this Agreement shall be made by either Purchaser or Seller without the consent of the other unless otherwise required by law. The foregoing provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority which it is required to make by law or to prohibit any party from disclosing to its investors, lenders, accountants, consultants and attorneys such terms of this transaction as are customarily disclosed to them in connection with similar acquisitions or from any party instituting a legal action in accordance with Section 15 above to enforce the provisions of this Contract. The parties shall at all times act in accordance with the requirements of Chapter 119, Florida Statutes.

17.2. Time and Dates. Time is of the essence of this Agreement and Seller's and Purchaser's obligations hereunder. For purposes of determining dates under this Agreement (a) a day that is a specified number of days after a given date will be the day that occurs the specified number of days after (but not including) the given date (so that, e.g., the day that is ten (10) days after January 1 will be January 11); and (b) a day that is a specified number of months after a given date will be the day that occurs on the same day of the calendar month as the given date the specified number of months later (so that, e.g., the day that is four (4) months after January 15 will be May 15). If any date set forth in this Agreement for the delivery of any document or the happening of any event (such as, for example, the expiration of the Inspection Period or the Closing Date) should, under the terms hereof, fall on a weekend or holiday, then such date will be automatically extended to the next succeeding weekday that is not a holiday, which day is sometimes referred to herein as a "business day".

17.3. Attorneys' Fees. In the event it becomes necessary for Purchaser or Seller to file a suit to enforce this Agreement or any provisions contained herein, then each party in such suit will be responsible for its own attorneys' fees and court costs incurred in such suit.

17.4. Entire Agreement. No change or modification of this Agreement will be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties, including, without limitation, any signed or unsigned letters of intent, relating to the purchase and sale of the Property. All prior negotiations between the parties, including without limitation, any signed or unsigned letters of intent, are merged in this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as set forth herein.

17.5. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the State of Florida.

17.6. Notices. All notices, demands or other communications required or permitted to be given hereunder will be in writing and addressed as set forth below. Any and all such items will be deemed to have been duly delivered upon personal delivery; or as of the third business day after mailing by United States mail, certified, return receipt requested, postage prepaid; or as of 12:00 Noon on the immediately following business day after deposit with Federal Express or a similar overnight courier service that provides evidence of receipt; or upon actual receipt if transmitted by facsimile or email to the facsimile number or email address set forth below, provided, however, that any notice given by email shall be promptly confirmed by facsimile:

If to Seller, to:

Attachment A

Leidos Inc.  
11951 Freedom Drive  
Reston, VA 20190  
Attention: Merelle Y. Douglas  
Fax: 571-526-7931  
Email: MERELLE.Y.DOUGLAS@leidos.com

With a copy to:

Manelli Selter PLLC  
2000 M Street, NW, Suite 760  
Washington, DC 20036  
Attn: Stephanie C. Cutler  
Fax: (202) 887-0336  
EMAIL: scutler@mdslaw.com

If to Trustees, to:

Board of Trustees of the Internal Improvement  
Trust Fund of the State of Florida  
Division of State Lands, Florida Department of Environmental Protection  
3900 Commonwealth Blvd., Mail Station 115  
Tallahassee, Florida 32399-3000

If to Acquiring Agency, to:  
University of Central Florida  
4365 Andromeda Loop North  
Orlando, FL 32816  
Attention: General Counsel

With a copy to:  
Philip L. Logas, Esq.  
Philip L. Logas, P.A.  
1525 International Parkway  
Suite 4021  
Lake Mary, Florida 32746  
Email: [plogas@logaslaw.com](mailto:plogas@logaslaw.com)

The above addresses may be changed by written notice to the other party given as set forth herein.

17.7. No Recording. This Agreement will not be recorded by either party.

17.8. Headings. The headings which appear in some of the Sections of this Agreement are for purposes of convenience and reference and are not in any sense to be construed as modifying the Sections in which they appear.

17.9. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same agreement and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or email and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

17.10. Assignment. This Agreement cannot be assigned in whole or in part by either party without the prior written consent of the other, provided, however, that Purchaser may assign this Agreement to an Affiliate of Purchaser.

17.11. Successors and Assigns. Subject to paragraph 17.10, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17.12 Effective Date. The “*Effective Date*” of this Agreement shall be the date that this Agreement is last signed by Seller and Purchaser, but in any event shall not be a date prior to approval of this Agreement by the Trustees at a scheduled meeting of the Governor and Cabinet sitting as the Trustees.

17.13 INTENTIONALLY DELETED.

17.14 Purchaser Approval. In the event Purchaser approval is required for any portion or portions of this Agreement, it shall be required that both the Trustees and Acquiring Agency each give approval. Failure to approve by either party shall not constitute the requisite approval.

17.15 Definitions and Index of Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall, unless expressly stated otherwise, have the meaning specified in this paragraph 17.15. The singular shall include the plural and the masculine shall include the feminine and neuter, and vice versa. “Includes” or “including” shall mean, “including, without limitation.”

“*Additional Deposit*” shall have the meaning set forth in paragraph 2.1 hereof.

“*Agreement*” shall have the meaning set forth in the first paragraph hereof.

“*Broker*” shall have the meaning set forth in paragraph 15.1 hereof.

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

“*Closing*” shall have the meaning set forth in paragraph 2.3 hereof.

“*Closing Date*” shall have the meaning set forth in paragraph 11.1 hereof.

“*Deposit*” shall have the meaning set forth in paragraph 2.1 hereof.

“*Effective Date*” shall have the meaning set forth in paragraph 17.12 hereof.

“*Environmental Law*” means any and all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any governmental authority or requirements of law (including common law) relating to or imposing liability or standards of conduct concerning the protection of human health, the environment or natural resources, or to releases or threatened releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as now or may hereafter be in effect.

“*Estoppel*” shall have the meaning set forth in paragraph 3.8 hereof.

“*Express Warranties*” shall have the meaning set forth in paragraph 7.1 hereof.

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

“*Ground Lease*” shall have the meaning set forth in the Recitals hereof.

“*Hazardous Materials*” means any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, gasoline and any other petroleum products (including crude oil or any fraction thereof), polychlorinated biphenyls and urea-formaldehyde insulation.

“*Immaterial Taking*” shall have the meaning set forth in paragraph 14.2 hereof.

“*Initial Deposit*” shall have the meaning set forth in paragraph 2.1 hereof.

“*Inspection Period*” shall have the meaning set forth in paragraph 3.4 hereof.

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

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

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

“*Permitted Exceptions*” shall have the meaning set forth in paragraph 3.2 hereof.

“*Person*”, whether or not capitalized, means any individual, partnership, limited liability company, corporation, association, business trust, government or political subdivision thereof, governmental agency or other entity.

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

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

“*Property Information*” shall have the meaning set forth in paragraph 3.1 hereof.

“*Purchase Price*” shall have the meaning set forth in paragraph 2 hereof.

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

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

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

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

“*Subsequent Defect*” shall have the meaning set forth in paragraph 4.2 hereof.

“*Survey*” shall have the meaning set forth in Section 3.1.1 hereof.

“*Surviving Obligations*” shall have the meaning set forth in paragraph 3.2 hereof.

“*Title Commitment*” shall have the meaning set forth in paragraph 3.2 hereof.

“*Title Company*” shall have the meaning set forth in paragraph 2 hereof.

“*Title Policy*” shall have the meaning set forth in paragraph 4.1 hereof.

“*Title Underwriter*” shall have the meaning set forth in paragraph 3.2 hereof.

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

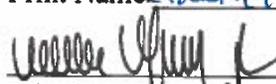
18. **Additional Fence Obligations.** Notwithstanding anything herein to the contrary, Purchaser acknowledges Seller’s strong interest in ensuring that the Fence to be constructed around the Real Property is satisfactory to Seller in all respects. Therefore, Purchaser agrees that Purchaser will reasonably coordinate with, and obtain Seller’s reasonable approval for, all matters related to the Fence, except that the following terms shall be deemed pre-agreed and pre-approved as between the parties: (i) the Fence will meet the Department of Defence force protection standards, and (ii) the driveway and roundabout off Science Drive, which serves as the main entrance to Seller’s adjacent property at 12901 Science Drive (the “Adjacent Property”), will remain fully usable and available as the main entrance for ingress and egress to and from the Adjacent Property. The foregoing obligations related to the Fence will survive Closing and be strictly enforceable by both parties.

*[Balance of Page is Left Intentionally Blank - Signatures Appear on Following Page]*

Attachment A

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

**SELLER:**  
**LEIDOS REALTY, LLC,**  
a Delaware limited liability company

Witnesses:  
  
Print Name: Gabrielle Reilly  
  
Print Name: Merelle Douglas

  
By: \_\_\_\_\_  
Name: Robert W. Scott  
Title: CEO  
Date: August 27, 2015

**TRUSTEES:**  
**BOARD OF TRUSTEES OF THE INTERNAL  
IMPROVEMENT TRUST FUND OF THE  
STATE OF FLORIDA**  
**BY DIVISION OF STATE LANDS OF  
THE FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

Witnesses:  
\_\_\_\_\_  
Print Name: \_\_\_\_\_  
\_\_\_\_\_  
Print Name: \_\_\_\_\_

BY: \_\_\_\_\_  
Kelley Boree  
Division Director  
Date: \_\_\_\_\_, 2015

Approved as to Form and Legality

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Attachment A

**ACQUIRING AGENCY:**  
**UNIVERSITY OF CENTRAL FLORIDA**, a  
public university, on behalf of its Board of Trustees

Witnesses:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2015

Attachment A

This Agreement, together with the Initial Deposit described therein in the amount of \$25,000, has been received by the Title Company this \_\_\_\_ day of \_\_\_\_\_, 2015.

TITLE COMPANY:  
PHILIP L. LOGAS, P.A.

Date: \_\_\_\_\_, 201\_\_

By: \_\_\_\_\_

Name: Philip L. Logas

Title: Attorney

Tel: 407-849-1555

Fax: 407-849-1570

List of Schedules and Exhibits:

Schedules:

Schedule 1 – Legal Description of the Land

Exhibits:

Exhibit A – Form of Estoppel Certificate

Exhibit B – Form of Special Warranty Deed

Exhibit C – Form of General Assignment

Attachment A

**Schedule 1**  
**LEGAL DESCRIPTION OF THE LAND**

Lot 2, Block 13, CENTRAL FLORIDA RESEARCH PARK SECTION IIA, according to the plat thereof as recorded in Plat Book 15 at Pages 85 through 87, inclusive, Public Records of Orange County, Florida.

Attachment A

**Schedule 2**  
**THE SUBLEASES**

**Exhibit A**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

**TENANT ESTOPPEL CERTIFICATE**

\_\_\_\_\_, 2015

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Lease Dated: \_\_\_\_\_, 20\_\_\_\_  
Tenant: \_\_\_\_\_  
Premises: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ladies and Gentlemen:

It is our understanding that the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, by and through the University of Central Florida, a public university, on behalf of its Board of Trustees, or its assigns (collectively the "Purchaser") will be purchasing the fee simple property described above (the "Premises").

Accordingly, the tenant named above (the "Tenant"), in and under the lease described above (the "Lease") hereby certifies to Purchaser, and any assignee of Purchaser under the Purchase and Sale Agreement between Leidos Realty, LLC (the "Seller") and Purchaser, that as of the date hereof:

1. The Lease represents the entire agreement between the Seller as the landlord under the Lease ("Landlord") and Tenant, is in full force and effect and has not been assigned, extended, modified, supplemented or amended in any way, except as noted in the attachments hereto, and a true, correct and complete copy of the Lease, including any and all amendments, is attached hereto as Exhibit A.

2. Tenant has accepted possession of the Premises.

3. Tenant has fully inspected the Premises and found the same to be as required by the Lease and in good order and repair, and any improvements required by the Lease to be made by Landlord have been completed to the satisfaction of the undersigned.

4. The primary term of the Lease commenced on \_\_\_\_\_, and continues to \_\_\_\_\_, and contains \_\_\_\_\_ renewal options of \_\_\_\_\_ years each.

5. The current monthly base rent (exclusive of Tenant's share of operating expenses, insurance premiums and taxes) is \$\_\_\_\_\_. Tenant is also obligated to pay its proportionate share of certain taxes, insurance premiums and other costs and expenses associated with the Premises in accordance with the terms of the Lease, and the current monthly payment of such proportionate share is \$\_\_\_\_\_.

6. Rental payments are being made on a current basis and have been paid through the month of \_\_\_\_\_, 2015. Tenant has not entered into any agreements providing for the discounting, advance payment, abatement or offsetting of rents and no rent has been paid for more than one (1) month in advance.

7. Tenant has paid a security deposit of \$\_\_\_\_\_ to Landlord.

8. As of this date, Tenant has not given Landlord notice of any existing violation of the Lease or notice of Tenant's intent to vacate the Premises other than at the end of the term of the Lease or as otherwise provided in the Lease. To Tenant's knowledge, Landlord is not in default under any of the terms, conditions, provisions or agreements of the Lease, and Tenant has no offsets, claims or defenses against Landlord.

9. Tenant has no options or rights of first refusal to purchase the Building, the Premises or any part thereof, except as set forth in the Lease, which includes \_\_\_\_\_.

10. Tenant is the sole owner and holder of the leasehold estate created by the Lease. Tenant has not subleased any portion of the Premises, nor has Tenant assigned all or any portion of Tenant's rights under the Lease.

11. All insurance required of Tenant by the Lease has been provided by Tenant and all premiums now due have been paid.

12. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought under said bankruptcy laws with respect to Tenant.

13. Tenant acknowledges that Purchaser and its permitted assigns may rely on this Tenant Estoppel Certificate.

Dated: \_\_\_\_\_, 2015.

TENANT:

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit B

This Instrument Prepared By and

Please Return To:

SPECIAL WARRANTY DEED

THIS INDENTURE, made this \_\_\_ day of \_\_\_, A.D. 2003, between \_\_\_, a \_\_\_ corporation, whose post office address is \_\_\_, Grantor, and the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, whose post office address is c/o Florida Department of Environmental Protection, Division of State Lands, 3900 Commonwealth Boulevard, Mail Station 115, Tallahassee, FL 32399-3000, grantee,

(Wherever used herein the terms "grantor" and "grantee" include all the parties to this instrument and their legal representatives, successors and assigns. "Grantor" and "grantee" are used for singular and plural, as the context requires and the use of any gender shall include all genders.)

WITNESSETH: That the said grantor, for and in consideration of the sum of \$10.00 and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's successors and assigns forever, the following described land situate, lying and being in \_\_\_ County, Florida, to-wit:

See Exhibit "A" attached hereto and by reference made a part hereof.

Property Appraiser's Parcel ID Number: \_\_\_\_\_

This conveyance is subject to easements, restrictions, limitations, and conditions of record if any now exist, but this reference shall not operate to reimpose any of the same.

TO HAVE AND TO HOLD the same unto the said grantee in fee simple forever.

AND the said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor, but against none other.

IN WITNESS WHEREOF the grantor has executed these presents, the day and year first written.

Signed, sealed and delivered in the presence of:

a \_\_\_ corporation

\_\_\_\_\_  
(Signature of First Witness)

\_\_\_\_\_  
Printed name of First Witness

BY: \_\_\_\_\_  
as President

\_\_\_\_\_  
(Signature of Second Witness)

\_\_\_\_\_  
Printed name of Second Witness

(CORPORATE SEAL)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_, 2003, by \_\_\_\_\_, as President of \_\_\_\_\_, a \_\_\_ corporation, on behalf of said corporation. Such person (notary Public must check applicable box):

- ( ) is personally known to me
( ) produced a current driver's license
( ) produced \_\_\_ as identification

(NOTARY PUBLIC SEAL)

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
(Printed, Typed or Stamped Name of Notary Public)

Commission No.: \_\_\_\_\_

My Commission Expires:

Attachment A

**Exhibit C**  
**FORM OF GENERAL ASSIGNMENT**

**GENERAL ASSIGNMENT**

THIS GENERAL ASSIGNMENT (this "Assignment"), is made as of the \_\_\_\_ day of \_\_\_\_\_, 2015, between Leidos Realty, LLC, a \_\_\_\_\_ limited liability company ("Assignor"), and Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("Assignee").

Assignee has this day acquired from Assignor all of Assignor's right, title and interest in the land more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"), together with any rights Assignor may have in its capacity as a ground lessor in and to the building (the "Building") located thereon and the other improvements located thereon (such Building and other improvements collectively referred to herein as the "Improvements").

In consideration of Assignee's acquisition of Assignor's right, title and interest in and to the Property and the Improvements and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Assignor hereby assigns, transfers and sets over unto Assignee, and Assignee hereby accepts from Assignor, all right, title and interest of Assignor (if any) in and to the following:

1. Permits and Plans. All (i) all governmental permits, licenses, certificates and authorizations, including, without limitation, certificates of occupancy, relating to the construction, use or operation of the Property and/or, the Improvements, to the extent the same may be lawfully assigned to Assignee (the "Permits"), and (iii) all site plans, surveys, plats, plans, soil and substratus studies, architectural, construction, road, drainage and utility drawings, plans and specifications, engineering plans and studies, landscape plans, and other plans and studies of any kind if existing and in Assignor's possession or control, to the extent that they relate only to the Property or the Improvements and are assignable (the "Plans").

2. Intangible Property. All rights, privileges, easements, hereditaments, and appurtenances in any way related to, belonging to, or used in connection with the operation of the Property and/or the Improvements (the "Intangible Property").

This Assignment is made subject to and excepting therefrom (a) claims for any sums owed to Assignor from the obligor that were asserted in writing by Assignor on or before the date hereof and (b) claims for sums incurred by Assignor arising out of or in connection with correction by Assignor of any defects in the condition of any improvements to the Property, if any, and disclosed to Assignee in writing prior to the date hereof.

ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY NATURE OR KIND, WHETHER STATUTORY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE CONTRACT OR PROPERTY RIGHTS ASSIGNED HEREBY, INCLUDING, BUT NOT LIMITED TO: TITLE; COMPLIANCE WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING

1049215.1

THERE TO; OR PATENT INFRINGEMENT OR LATENT DEFECTS. BY ACCEPTANCE OF THIS ASSIGNMENT, ASSIGNEE ACKNOWLEDGES THAT IT HAS INSPECTED SUCH ASSIGNED CONTRACT AND/OR PROPERTY RIGHTS AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE SAME "AS IS, WHERE IS" AND "WITH ALL FAULTS," WITHOUT REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, each party shall bear its own costs and expenses of such litigation including, without limitation, reasonable attorneys' fees.

This Assignment may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

Assignor shall, at no cost to Assignor, (i) cooperate with Assignee to fully vest in Assignee the rights, titles and interests intended to be assigned by this Assignment, and (ii) execute and deliver to Assignee all documents, instruments or conveyances reasonably required to accomplish such transfer.

This Assignment shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

[Signature page follows]

Attachment A

**ASSIGNOR:**  
**LEIDOS REALTY, LLC**, a \_\_\_\_\_ limited liability  
company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNEE:**  
Board of Trustees of the Internal Improvement Trust Fund  
of the State of Florida

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attachment B

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**PURCHASE AND SALE AGREEMENT**

**Between**

**COWPERWOOD ORLANDO I, LLC,**

**as Seller,**

**and**

**BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT  
TRUST FUND OF THE STATE OF FLORIDA,**

**as Purchaser,**

**and**

**UNIVERSITY OF CENTRAL FLORIDA,  
A PUBLIC UNIVERSITY, ON BEHALF OF ITS BOARD OF TRUSTEES**

**as Acquiring Agency**

**August \_\_\_\_, 2015**

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "*Agreement*") is made and entered into as of the Effective Date specified below, by and between COWPERWOOD ORLANDO I, LLC, a Florida limited liability company ("*Seller*"), and the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA ("*Trustees*") for the use and benefit of the UNIVERSITY OF CENTRAL FLORIDA, a public university, on behalf of its Board of Trustees ("*Acquiring Agency*"). Trustees and Acquiring Agency are referred to jointly as "*Purchaser*". Trustees' agent in all matters shall be the Division of State Lands of the Florida Department of Environmental Protection ("*DSL*").

### Recitals

This Agreement is made with respect to the following facts:

A. Seller owns the following described property (the "*Property*"):

(1) The leasehold estate described in Schedule 1 to this Agreement (the "*Leasehold Estate*") pursuant to that certain Ground Lease Agreement dated December 29, 2005 (as amended, the "*Ground Lease*") between Seller and Campus Point Realty Corporation, a California corporation (the "*Master Landlord*"), covering certain real property located in the City of Orlando, Orange County, Florida and legally described on Schedule 2 to this Agreement (the "*Land*"), together with all reversions, remainders, easements, rights-of-way, appurtenances, agreements, licenses, tenements and hereditaments appertaining to or otherwise benefiting or used in connection with the Ground Lease or the Improvements (as hereinafter defined);

(2) All improvements located on the Land, including that certain 83,931 square foot, more or less, office building and all fixtures therein (such improvements and fixtures owned by Seller are hereinafter collectively referred to as the "*Improvements*"), excluding, however, any such improvements or fixtures which are (a) owned by Master Landlord, or (b) owned by the subtenants under the below-described Subleases in accordance with the provisions thereof. The Land and the Improvements are located at 12809 Science Drive, Orlando, Florida (the "*Building*"), and are hereinafter collectively referred to as the ("*Real Property*");

(3) All Subleases or occupancy agreements affecting the Real Property, including all rent, income and proceeds therefrom and security and other deposits made thereunder, and all amendments or modifications thereto and guaranties thereof, which Subleases, amendments, modifications and guaranties are described on Schedule 3 attached hereto (the "*Subleases*");

(4) All right, title and interest of Seller in and to all governmental permits, licenses, certificates and authorizations, including, without limitation, certificates of occupancy, relating to the construction, use or operation of the Real Property, to the extent the same may be lawfully assigned to Purchaser (the "*Permits*");

(5) All right, title and interest of Seller in and to all unexpired warranties, guarantees and bonds, including, without limitation, contractors' and manufacturers' warranties or guarantees, relating to the Real Property, to the extent the same may be lawfully assigned to Purchaser (the "*Warranties*"); and

(6) All right, title and interest of Seller in and to all site plans, surveys, plats, plans, soil and substratus studies, architectural, construction, road, drainage and utility drawings, plans and specifications, engineering plans and studies, landscape plans, and other plans and studies of any kind if existing and in Seller's possession, to the extent that they relate only to the Real Property and are assignable (the "*Plans*").

(7) Any and all rights, privileges and appurtenances owned by Seller and in any way related to, or used in connection with, the operation of the Real Property, other than the Ground Lease, the Subleases, Warranties, Permits and Plans (collectively, the "*Intangible Property*").

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller the Property on the terms and conditions hereinafter set forth.

In consideration of the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, assign and convey to Purchaser, and Purchaser agrees to purchase from Seller, the Property. Pursuant to the provisions of section 253.025, Florida Statutes, no agreement to acquire an interest in real property for purposes of chapter 253, Florida Statutes, with a purchase price of greater than \$100,000, may bind the state until the agreement has been submitted to and approved by the Trustees. As a result, this Agreement becomes legally binding on Trustees only upon approval of this Agreement at a scheduled meeting of the Governor and Cabinet sitting as the Trustees. In addition, the Acquiring Agency must obtain approval of its Board of Trustees. As a result, this Agreement becomes legally binding on Acquiring Agency only upon its approval of the Agreement.

Seller understands and agrees that Purchaser's obligation to purchase the Property is contingent upon Purchaser simultaneously closing on the purchase of the underlying fee simple interest in the Real Property such that Purchaser may terminate the Ground Lease and Sublease(s) at Closing. In the event that Purchaser is unable for any reason to close on the purchase of the fee simple title to the Real Property and terminate the Ground Lease and Sublease(s) at Closing, then Purchaser may terminate this Agreement, the Initial Deposit shall be returned to Acquiring Agency, this Agreement shall terminate and Purchaser and Seller shall be relieved from any further liability hereunder, except for the Seller's and Acquiring Agency's Surviving Obligations (as hereinafter defined).

2. **Purchase Price.** The purchase price for the Property (the "*Initial Purchase Price*") will be Ten Million Six Hundred Fifty Thousand and No/100ths U.S. Dollars (U.S.

\$10,650,000.00), subject to any adjustments, credits or prorations provided herein, and payable as follows:

2.1. Deposit. Twenty Five Thousand and No/100ths U.S. Dollars (U.S. \$25,000.00) (which amount, together with all interest earned thereon, is hereinafter called the "*Initial Deposit*"), will be paid by Acquiring Agency to Philip L. Logas, P.A., as escrow agent ("*Title Company*") by wire transfer of immediately available funds within two (2) business days following the Effective Date. No later than the expiration of the Inspection Period (as defined below), if Purchaser elects to proceed with the purchase of the Property, then Acquiring Agency will make an additional deposit to Title Company in the amount of Three Hundred Thousand and No/100ths U.S. Dollars (U.S. \$300,000.00) (the "*Additional Deposit*"). The Initial Deposit and the Additional Deposit are referred to herein collectively as the "*Deposit*". Title Company will place the Deposit in an interest-bearing account.

2.2. Status of Deposit. If Purchaser elects to proceed with the purchase of the Property, then Acquiring Agency shall pay the Additional Deposit at any time prior to the termination of the Inspection Period, at which time both the Initial Deposit and the Additional Deposit shall become non-refundable except in the event of a default by Seller, the failure to satisfy a Closing Condition, as hereinafter defined or the inability of Seller to render marketable title. Both the Initial Deposit and the Additional Deposit will be applied to the Purchase Price at Closing.

2.3. Cash at Closing. Upon Closing of the transaction contemplated by this Agreement ("*Closing*"), Acquiring Agency shall deliver into escrow with Title Company, by wire transfer of immediately available funds, the balance of the Purchase Price, subject to the adjustments and prorations provided for herein. Seller hereby authorizes Acquiring Agency to issue payment for the Purchase Price directly to Title Company who is authorized by law to receive such payment, and who is acceptable to Purchaser, and to require the Title Company to pay Seller's expenses of sale and real estate taxes at closing.

2.4. Approved Value Contingency. The Initial Purchase Price is subject to adjustment in accordance with paragraph 2.5. This Agreement is contingent upon approval of the Final Adjusted Purchase Price, hereinafter defined, by Purchaser and upon confirmation that the Final Adjusted Purchase Price is not in excess of the maximum value of the Property as determined in accordance with section 253.025, Florida Statutes ("*DSL Approved Value*"). The determination of DSL Approved Value and the Final Adjusted Purchase Price can only be made after the completion and DSL's approval of the survey required in paragraph 3.1.1. If funds in the amount of the Purchase Price are not available to the Acquiring Agency by the closing, the closing date may be extended until such funds become available, not to exceed 60 days after the original closing date.

Acquiring Agency agrees that the Trustees shall take title to all of the Property at the closing notwithstanding that Acquiring Agency is required to pay all of the Purchase Price. Seller shall convey its entire interest in the Property to the Trustees at closing in accordance with the provisions of this Agreement. The Purchase Price is the sole responsibility of the Acquiring Agency and the Trustees shall have no obligation under this Agreement to provide any portion of

the Purchaser Price, and Seller shall have no recourse whatsoever, at law or equity, against the Trustees or the Property relating to the Purchase Price.

2.5. Adjustment of Purchase Price. If, prior to closing, DSL determines that the Initial Purchase Price exceeds the DSL Approved Value of the Property, the Initial Purchase Price will be reduced to the DSL Approved Value of the Property (herein the "*Final Adjusted Purchase Price*"). If the Final Adjusted Purchase Price is less than 99% of the Initial Purchase Price because of the adjustment provided for in this paragraph 2.5., Seller shall, in Seller's sole discretion, have the right to terminate this Agreement and no party shall have any further obligations under this Agreement. If Seller elects to terminate this Agreement, Seller shall provide written notice to DSL of Seller's election to terminate this Agreement within 10 days after Seller's receipt of written notice from DSL of the Final Adjusted Purchase Price. If Seller fails to give Purchaser a written notice of termination within the aforesaid time period from receipt of DSL's written notice, then Seller shall be deemed to have waived any right to terminate this Agreement based upon a reduction in the Initial Purchase Price. The Final Adjusted Purchase Price as calculated in this paragraph 2.5 is subject to further adjustment in accordance with the provisions of this Agreement. The Initial Purchase Price and the Final Adjusted Purchase Price, whichever is applicable depending on whether or not an adjustment has occurred under the provisions of this paragraph 2.5 are hereinafter referred to as the "Purchase Price".

### 3. Purchaser's Investigations.

3.1. Seller's Deliveries. Within ten (10) days after the Effective Date (except as expressly provided to the contrary below), Seller will deliver or cause to be delivered to Purchaser the following (together with any information subsequently delivered by Seller to Purchaser, the "*Property Information*"):

3.1.1. Survey. A copy of the most recent survey of the Real Property in the possession or control of Seller (the "*Survey*"). In addition, Purchaser shall have the right to obtain, at Acquiring Agency's sole cost and expense, either an update to the Survey or a new ALTA/ACSM Land Title Survey in form and content satisfactory to Purchaser.

3.1.2. Copies. Copies of the following: the Subleases; all written Permits and Warranties; the Plans; Seller's common area maintenance budget for the current year and common area maintenance reconciliations for the previous two (2) years; utility bills for the Property for the current year; property tax bills for the current year and the previous (2) years; and Seller's most recent Phase I environmental report and soils report.

3.2 Title Insurance Commitment. Within twenty (20) days after the Effective Date of this Agreement, Purchaser shall obtain, at Acquiring Agency's sole cost and expense, a current title insurance commitment issued by the Title Company as agent for Fidelity National Title Insurance Company ("*Title Underwriter*"), including legible copies of all recorded exceptions to title referred to therein (collectively, the "*Title Commitment*"). Purchaser will review the Title Commitment as part of its investigations hereunder and will have the right to negotiate with Title Company in order to cause Title Company to modify the Title Commitment to reflect only those exceptions to title that are acceptable to Purchaser. In addition, Purchaser

shall have until the expiration of the Inspection Period (hereinafter defined) to review the Title Commitment and the Survey. If the Title Commitment shall reflect any exception to which Purchaser delivers written objection on or before expiration of the Inspection Period, Seller shall, at its sole option, notify Purchaser, within five (5) days of Purchaser's notice of objections, that it elects to either (x) attempt to cure the objectionable item(s), in which case Seller shall have until the Closing Date to make such cure, or (y) not to attempt to cure such objectionable items. If Seller elects either option (y) above, or option (x) above but is not able to make such cure, then, notwithstanding anything to the contrary in this Agreement, Purchaser may at its option terminate this Agreement and receive a refund of the Deposit, whereupon the parties will be relieved from all obligations hereunder except for those obligations which expressly by the terms hereof survive termination of this Agreement (the "*Surviving Obligations*") or waive its objections to title and proceed in accordance with this Agreement. Subject to paragraph 4.2, and if Purchaser does not terminate this Agreement pursuant to this paragraph 3.2 or paragraph 3.4 hereof, then the "*Permitted Exceptions*" hereunder shall be any encumbrance or exception arising from the acts or omissions of Purchaser and the exceptions to title disclosed in the Title Commitment that the Title Company has not agreed to insure over or remove during the Inspection Period, or thereafter, and matters disclosed in the Survey or any update thereof or new survey obtained by Purchaser, excluding (a) any delinquent taxes or assessments and (b) any monetary liens or encumbrances. Seller will cooperate to allow or cause the Title Company to delete the standard printed exceptions of such title policy referring to: (a) all taxes, (b) unrecorded rights or claims of parties in possession other than those disclosed by Seller, (c) survey matters, (d) unrecorded easements or claims of easements, and (e) unrecorded mechanic's liens (collectively the "standard exceptions") that may be deleted or modified from the owner's title insurance policy to be issued to Trustees at the Closing. Seller will execute such certificates, affidavits or other instruments as the Title Company may require to issue the Title Policy (defined below), including, if required, any affidavit that states that no changes have been made to the Property since the date of the Survey.

3.3 Environmental Site Assessment. Purchaser, at Acquiring Agency's sole cost and expense, may conduct an environmental site assessment of the Property to determine the existence and extent, if any, of any Hazardous Materials on the Property. If further investigations, testing, monitoring or environmental site assessments are required by DSL or Acquiring Agency to determine the existence or extent of Hazardous Materials on the Property, Purchaser, at its sole option may elect to extend the Inspection Period, hereinafter defined, to conduct such procedures at the Acquiring Agency's sole cost and expense. In the event additional investigation shall take more than thirty (30) days, Seller and Purchaser shall mutually agree upon a new Inspection Period.

3.3.1. If the environmental site assessment provided for in paragraph 3.3 confirms the presence of Hazardous Materials on the Property, Purchaser, at its sole option, may elect to terminate this Agreement, receive a full return of the Deposit, and neither party shall have any further obligations under this Agreement. Should Purchaser elect not to terminate this Agreement and provided that costs do not exceed two percent (2%) of the Purchase Price, Seller shall, at Seller's sole cost and expense and prior to closing, promptly commence and diligently pursue any assessment, clean up and monitoring of the Property necessary to bring the Property into full compliance with Environmental Law to DSL's satisfaction in its sole discretion. In the

event costs exceed two percent (2%) of the Purchase Price, Seller may elect to terminate this Agreement with no penalty to Seller or Purchaser or Purchaser and Seller may mutually agree upon a clean-up schedule and allocation of costs and expenses.

3.3.2. However, should the estimated cost to Seller of clean-up of Hazardous Materials exceed a sum which is equal to 2% of the Initial Purchase Price, Seller may elect to terminate this Agreement, return the Deposit to Purchaser, and neither party shall have any further obligations under this Agreement. If Hazardous Materials placed on the Property by Seller or with Seller's knowledge prior to closing are discovered after closing, Seller shall remain obligated hereunder, with such obligation to survive the closing, delivery, and recording of the Assignment and Assumption of Ground Lease described in paragraph 11.2.1 of this Agreement and Purchaser's possession of the Property, to diligently pursue and accomplish the clean-up of Hazardous Materials in a manner consistent with all applicable Environmental Laws and at Seller's sole cost and expense.

3.3.3. Further, if neither party elects to terminate this Agreement as provided above, Seller shall indemnify and save harmless and defend Purchaser, its officers, servants, agents and employees from and against any and all claims, suits, actions, damages, liabilities, expenditures or causes of action of whatsoever kind arising from Hazardous Materials placed on the Property prior to closing. Seller shall defend, at Seller's sole cost and expense, any legal action, claim or proceeding instituted by any person, entity, or agency against Purchaser as a result of any claim, suit, or cause of action for injuries to body, life, limb or property for which Hazardous Materials placed on the Property prior to closing are alleged to be a contributing legal cause. Seller shall save Purchaser harmless from and against all judgments, orders, decrees, attorney's fees, costs, expenses and liabilities in and about any such claim, suit, investigation or defense thereof, which may be entered, incurred or assessed as a result of the foregoing.

3.3.4. The limitation herein on Seller's contractual obligation to indemnify Purchaser as specified herein shall not be construed to limit Seller's legal liability under any Environmental Law for Hazardous Materials located on the Property or to limit Purchaser's legal and equitable remedies against Seller under any Environmental Law for Hazardous Materials located on the Property.

3.4 Inspection Period. Purchaser will have until 5:00 p.m., Eastern Time, on the date that is ninety (90) days after the Effective Date (the "*Inspection Period*") to investigate the Property and all matters relevant to its acquisition, ownership and operation. Such right of investigation will include, without limitation, the right to have made, at Acquiring Agency's expense, any non-invasive studies or inspections of the Property that Purchaser may deem necessary or appropriate. Seller agrees to cooperate reasonably with any such investigations, inspections or studies made by or at Purchaser's direction so long as such cooperation is at no expense or liability to Seller. Purchaser shall conduct all such inspections at its own risk and in a reasonable manner consistent with and not likely to disturb the normal operations of the Property and so as to minimize disruption to the subtenants of the Property. Promptly after undertaking any testing or inspection, Purchaser shall restore the Property to substantially its condition prior to any such test or inspection.

3.5 Termination. If, on or before the expiration of the Inspection Period, Purchaser gives Seller written notice setting forth Purchaser's dissatisfaction with the Property for any reason whatsoever in Purchaser's sole discretion, and states in such notice Purchaser's election to terminate this Agreement, then the Initial Deposit shall be returned to Acquiring Agency, this Agreement shall terminate and Purchaser and Seller shall be relieved from any further liability hereunder, except for the Surviving Obligations. If Purchaser does not terminate this Agreement as described in the preceding sentence, then this Agreement shall remain in full force and effect in accordance with its terms, and the Deposit shall become nonrefundable, upon satisfaction of the Closing Conditions as hereinafter defined.

3.6 Indemnity. To the extent permitted by Florida law, Acquiring Agency agrees to indemnify and hold Seller harmless from any claim, demand, liability, lien, cost or expense asserted against Seller or the Property arising out of or resulting from Purchaser's or its employees', agents', representatives' or contractors' investigations of the Property prior to Closing, to pay Seller all reasonable costs and expenses, including reasonable attorneys' fees, incurred in defending any such matter, and to repair any damages resulting to the Property due to such investigations or, if requested by Seller, reimburse Seller for all direct expenses incurred by Seller in repairing such damages if Acquiring Agency does not promptly repair such damages. Notwithstanding any other terms and provisions of this Agreement to the contrary, this indemnification, repair and reimbursement obligation of Acquiring Agency will survive any termination of this Agreement.

3.7 Return of Property Information. If this Agreement is terminated for any reason, Purchaser shall promptly (and in any event within ten (10) days thereafter) deliver to Seller all Property Information and other documents delivered to Purchaser (its agents, representatives or designees) by Seller or Seller's agents, representatives or employees pursuant to this Agreement, together with originals of all engineering reports, environmental studies, sales reports, appraisals and other studies and reports obtained by Purchaser with respect to the Property. Purchaser shall confirm in writing that it has returned all documents as required herein. Purchaser shall not be liable to Seller for the accuracy or inaccuracy of any such studies or reports obtained by Purchaser or for any effect that any information contained in such studies or reports has or could have on the value of the Property.

3.8 Tenant Estoppels. Seller shall use commercially reasonable efforts to secure and deliver to Purchaser, prior to the end of the Inspection Period, estoppel certificates from subtenants under all Subleases substantially in the form of Exhibit A hereto as well as an estoppel certificate from the Master Landlord setting forth the status of the Seller's Leasehold Estate. Seller shall be responsible for filling in the required information in each tenant estoppel certificate, for delivering the forms to the subtenants and for following up with subtenants as necessary to secure such estoppels (collectively the "*Estoppels*").

3.9 Non-Disturbance. Provided that there is a mortgage encumbering the Master Landlord's fee simple interest in the Property, Seller shall, prior to the end of the Inspection Period, use commercially reasonable efforts to obtain from the mortgage holder, a non-disturbance/attornment agreement.

4. **Title.**

4.1. **Issuance of Title Policy.** At Closing, Acquiring Agency will cause the Title Company to issue, or unconditionally commit to issue, to Trustees its leasehold policy of title insurance insuring in the amount of the Purchase Price that Seller's interest in the Leasehold Estate is now vested in Trustees, subject only to the Permitted Exceptions (the "*Title Policy*"). Acquiring Agency will be solely responsible for satisfying any requirements that Title Company may impose specifically with respect to Purchaser, with any necessary cooperation from Seller, such as, for example, requirements with respect to Purchaser's organizational status or authority to complete the transaction.

4.2. **Subsequent Title Defects.** If, subsequent to the expiration of the Inspection Period and prior to Closing, Purchaser notifies Seller of the existence of any encumbrance, encroachment, defect in or other matter materially and adversely affecting title to the Property, which was not reflected on either (i) the Title Commitment, issued or updated prior to the expiration of the Inspection Period, or (ii) the Survey (or any update thereto obtained by Purchaser prior to the expiration of the Inspection Period), which subsequently discovered defect is unacceptable to Purchaser in Purchaser's reasonable discretion, other than any delinquent taxes or assessments or any monetary liens or encumbrances created by, through or under Seller which Seller is obligated to remove under this Agreement prior to Closing pursuant to paragraph 12.6 (a "*Subsequent Defect*"), Seller may use such efforts as it may, in its sole judgment, deem appropriate to remove or cure such Subsequent Defect of title prior to Closing. Seller will have no obligation, however, to cure any Subsequent Defect unless caused by or arising by, through or under Seller. If Seller does not or is unable to so remove or cure all Subsequent Defects prior to Closing, Purchaser may (i) waive all such uncured Subsequent Defects and accept such title as Seller is able to convey as of Closing without any adjustment of the Purchase Price; or (ii) terminate this Agreement, whereupon Title Company will return the Deposit to Acquiring Agency, and all parties will be relieved of any further obligations hereunder, except for the Surviving Obligations.

5. **Seller's Representations and Warranties.**

5.1. **Representations and Warranties.** As a material inducement to Purchaser entering into this Agreement, Seller represents, warrants and covenants to Purchaser that the following matters are true as of the Effective Date and will be true as of the Closing Date:

5.1.1. **Authority.** Seller is a limited liability company duly organized and existing and in good standing under the laws of the State of Florida. Seller has full right and authority to enter into this Agreement and consummate the transaction contemplated hereby. All requisite entity action has been taken by Seller in connection with the entering into this Agreement and the instruments referenced herein and the consummation of the transaction contemplated hereby. Each of the persons signing this Agreement on behalf of Seller is authorized to do so.

5.1.2. **No Options.** Except as reflected in the Permitted Exceptions, Seller has not granted to any party other than Purchaser any option, right of first refusal, contract

or other agreement with respect to a purchase, transfer, sale or assignment (other than a leasehold interest pursuant to a Lease/ Sublease) of the Property or any part thereof or any existing right of first refusal has been waived.

5.1.3. Consents; Binding Obligations; Violations. All consents and approvals which may be required in order for Seller to enter into this Agreement or consummate the transaction contemplated hereby have been obtained. This Agreement and all documents required hereby to be executed by Seller are and will be valid, legally binding obligations of and enforceable against Seller in accordance with their terms. Neither the execution of this Agreement nor the consummation of the transaction contemplated hereby will be in violation of any judgment, order, permit, writ, injunction or decree of any court, commission, bureau or agency to which Seller is subject or by which Seller is bound, or constitute a breach or default under any agreement or other obligation to which Seller is a party or otherwise bound.

5.1.4. Ground Lease. The Ground Lease is in full force and effect, has not been amended, modified or supplemented except as disclosed to Purchaser, and there are no existing defaults by either party thereto and there are no facts or circumstances existing which, with the giving of notice or the passage of time, or both, would constitute a default by either party thereto.

5.1.5. Subleases. Except as disclosed in the rent roll (the "*Rent Roll*"): (a) the Subleases are in full force and effect; (b) the Subleases have not been amended, supplemented or modified; (c) there are no options or other rights owned by the subtenants under the Subleases with respect to the purchase of the Property or any portion thereof; (d) there are no outstanding, unsatisfied or uncompleted concessions, rebates, allowances, free rent periods or obligations of Seller under the Subleases to perform repairs, painting, alterations or construct or install improvements (other than normal obligations with respect to the repair and maintenance of the Property) that have been agreed to with, or granted or promised to, the subtenants under the Subleases or to which it is entitled; (e) no amount of rent has been paid in advance (other than for the current month); (f) there are no defenses or rights of offset of the subtenant under the Subleases to rent which is to accrue in the future; and (g) to the extent of Seller's actual knowledge there are no existing defaults by either Seller or the subtenants under the Subleases and no facts or circumstances existing which, with the giving of notice or the passage of time, or both, would constitute a default by either the subtenant or Seller under the Subleases.

5.1.6. Parties in Possession. Except for any parties in possession pursuant to, and any rights of possession granted under the Subleases or the Permitted Exceptions, there are no parties in possession of any part of the Real Property, and there are no other rights of possession which have been granted by Seller to any third party or parties.

5.1.7. Defaults. To the extent of Seller's actual knowledge, Seller is not in material default under any of the Permitted Exceptions.

5.1.8. Condemnation. Seller has no actual knowledge of any pending or threatened condemnation, expropriation, eminent domain or similar proceeding affecting all or any portion of the Property.

5.1.9. Environmental Matters. To the extent of Seller's actual knowledge (i) there are no Hazardous Materials present on or under the Real Property in any quantity or manner that violates any Environmental Law now in effect; and (ii) there are no underground fuel storage tanks at the Real Property. Further, to the extent of Seller's actual knowledge:

- 5.1.9.1. Seller has not placed, or permitted to be placed, any Hazardous Materials on the Property and no other person or entity has placed, or permitted to be placed, any Hazardous Materials on the Property.
- 5.1.9.2. There does not exist on the Property any condition or circumstance which requires or may, in the future, require cleanup, removal or other remedial action or other response under Environmental Laws on the part of Seller or a subsequent owner of all or any portion of the Property or which would subject Seller or a subsequent owner of all or any portion of the Property to liability, penalties, damages or injunctive relief.
- 5.1.9.3. No underground treatment, buried, partially buried or above ground storage tanks, storage vessels, sumps, drums, containers, water, gas or oil wells, or landfills are or have ever been located on the Property.
- 5.1.9.4. Seller or any other person or entity that has owned, occupied or possessed the Property, has never violated, and is presently in compliance with, all Environmental Laws applicable to the Property.
- 5.1.9.5. No warning notice, notice of violation, administrative complaint, judicial complaint or other formal or informal notice has been issued by any federal, state or local environmental agency alleging that conditions on the Property are in violation of any Environmental Law.
- 5.1.9.6. Seller is not subject to any judgment, decree, order or citation related to or arising out of Environmental Laws, and Seller has not been named or listed as a potentially responsible party by any governmental body or agency in a matter arising under any Environmental Law.

5.1.10. Violations. To the extent of Seller's actual knowledge, there is no existing material violation of any law, code, ordinance, rule or regulation of any governmental authority having jurisdiction over the Real Property, or any insurance policy covering the Real Property, with respect to the Real Property or its operation.

5.1.11. Special Assessments. To the extent of Seller's actual knowledge, the Real Property is not situated within any special assessment district other than the districts revealed by the most recent statement for real property taxes for the Real Property.

5.1.12. Litigation. There are no pending or, to the extent of Seller's actual knowledge, threatened judicial, municipal or administrative proceedings affecting the Property. To the extent of Seller's actual knowledge, there is no pending or threatened litigation or dispute involving or concerning the Property.

5.1.13. Liens. Seller represents that there are no mechanics' liens, claims of lien or other claims against the Property and that Seller has no unpaid bills for labor or services performed on, or for materials supplied to the Property, except for those unpaid bills which will be paid prior to the closing or paid by Seller with funds to be escrowed from the closing proceeds.

5.1.14. Certification Regarding Terrorism. Seller hereby certifies that to the best of Seller's knowledge, after making all appropriate inquiries, Seller is in compliance with, and shall use all funds derived from the sale of the Property in compliance with all applicable anti-terrorism laws, regulations, rules and executive orders, including but not limited to, the USA Patriot Act of 2001, 18 U.S.C. sections 2339A-C, and U.S. Presidential Executive Orders 12947 and 13224.

5.2. Intentionally Deleted.

5.3. Effective Date, Survival. All of the representations and warranties made by Seller in this paragraph 5 are made as of the Effective Date. At Closing, Seller shall deliver to Purchaser a certificate pursuant to which Seller shall reaffirm the representations and warranties made by Seller in paragraph 5.1 as of the date of Closing. All of such representations shall survive Closing for a period of twenty four (24) months following Closing.

6. Acquiring Agency's Representations and Warranties.

6.1. Representations and Warranties. Acquiring Agency represents and warrants to Seller as follows:

6.1.1. Authority. Acquiring Agency is a public university duly organized and existing under the laws of the State of Florida. Pursuant to section 1001.706(7)(a), Florida Statutes, title to the Property shall vest in the Trustees. Subject to approval by the Trustees as described in paragraph 1, Purchaser has full right and authority to enter into this Agreement and consummate the transaction contemplated hereby. . Each of the persons signing this Agreement on behalf of Purchaser is authorized to do so.

6.1.2. Consents; Binding Obligations; Violations. After approval set forth in in paragraph 1, this Agreement and all documents required hereby to be executed by Purchaser are and will be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms. Neither the execution of this Agreement nor the consummation

of the sale will be in violation of any judgment, order, permit, writ, injunction or decree of any court, commission, bureau or agency to which Purchaser is subject or by which Purchaser is bound, or constitute a breach or default under any agreement or other obligation to which Purchaser is a party or otherwise bound.

6.2. Effective Date; Survival. All of the representations and warranties made by Purchaser in this paragraph 6 are made as of the Effective Date. At Closing, Purchaser shall deliver to Seller a certificate pursuant to which Purchaser shall reaffirm the representations and warranties made by Purchaser in paragraph 6.1 as of the date of Closing. All of such representations shall survive Closing for a period of twenty four (24) months following Closing.

7. “As Is” Purchase.

7.1. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5 ABOVE, AND IN SELLER’S ASSIGNMENT AND ASSUMPTION OF GROUND LEASE TO PURCHASER AT CLOSING OR AS EXPRESSLY PROVIDED IN THIS AGREEMENT (COLLECTIVELY THE “EXPRESS WARRANTIES”), SELLER HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, EXPRESS OR IMPLIED, PAST, PRESENT OR FUTURE, OF, AS TO OR CONCERNING (I) THE NATURE, QUALITY, AND CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, AND GEOLOGY THEREOF, (II) THE SUITABILITY OF THE PROPERTY FOR ANY ACTIVITIES AND USES WHICH PURCHASER MAY ELECT TO CONDUCT THEREON, INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT THERETO, OR THE HABITABILITY, MERCHANTABILITY OR FITNESS THEREOF FOR A PARTICULAR PURPOSE; (III) THE MANNER OF CONSTRUCTION AND CONDITION AND STATE OF REPAIR OR LACK OF REPAIR OF ANY IMPROVEMENTS THEREON; EXCEPT FOR THE EXPRESS WARRANTIES, SELLER DOES NOT MAKE ANY REPRESENTATIONS REGARDING HAZARDOUS WASTE, AS DEFINED BY THE LAWS OF THE STATE OF FLORIDA OR THE UNITED STATES OF AMERICA, AND ANY REGULATIONS ADOPTED PURSUANT THERETO OR THE COMPLIANCE OF THE PROPERTY WITH ANY SUCH LAWS. EXCEPT FOR THE EXPRESS WARRANTIES, PURCHASER AGREES TO ACCEPT THE PROPERTY AT CLOSING IN ITS PRESENT AS IS, WHERE IS, WITH ALL FAULTS CONDITION.

7.2. Acknowledgements. PURCHASER ACKNOWLEDGES AND AGREES THAT (i) PURCHASER IS REPRESENTED BY COUNSEL IN THIS TRANSACTION, (ii) PRIOR TO THE CLOSING PURCHASER WILL HAVE INSPECTED THE PROPERTY TO PURCHASER’S SATISFACTION, AND (iii) PURCHASER AND/OR ITS CONSULTANTS ARE QUALIFIED TO MAKE SUCH INSPECTION. EXCEPT FOR THE EXPRESS WARRANTIES, PURCHASER: (1) ACKNOWLEDGES THAT IT IS FULLY RELYING ON ITS OWN INSPECTIONS OF THE PROPERTY AND NOT UPON ANY STATEMENT (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE BY SELLER OR ANY OF SELLER’S REPRESENTATIVES; (2) ACKNOWLEDGES THAT IT HAS THOROUGHLY INSPECTED THE PROPERTY TO THE EXTENT DEEMED NECESSARY IN ORDER TO EVALUATE THE CONDITION THEREOF, AND IS RELYING SOLELY UPON SUCH INSPECTION; AND (3) ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE INTEGRAL PARTS OF THIS AGREEMENT, AND THAT SELLER

**WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS.**

7.3. Reliance. Except for the Express Warranties, Purchaser is not relying on any representation or promise made by Seller at any time and Purchaser hereby disclaims reliance on representations by Seller or any one acting on behalf of Seller and surrenders any right to sue based on any representations of the Seller not contained in this Agreement.

7.4. Survival. The provisions of this paragraph 7 will survive Closing or any termination of this Agreement.

8. **Covenants of Seller**. Seller hereby covenants with Purchaser as follows:

8.1. Ground Lease. Following the Effective Date, Seller will not execute or commit to enter into any modification, amendment or termination of the Ground Lease without Purchaser's prior written approval. If Seller desires to enter into any modification or amendment to the Ground Lease, Seller will deliver written notice to Purchaser requesting Purchaser's approval thereof and providing therewith the most current draft of the proposed modification or amendment. Seller also agrees to provide any other information in Seller's possession concerning the Ground Lease which Purchaser reasonably requests.

8.2. New Subleases. Following the Effective Date, Seller will not execute or commit to enter into (i) any new lease, sublease or other occupancy agreement affecting the Real Property, or (ii) any termination, modification, amendment or renewal of the Subleases except pursuant to existing provisions of the Subleases (collectively, a "*New Sublease*"), without Purchaser's prior written approval. If Seller desires to enter into a New Sublease, Seller will deliver written notice to Purchaser requesting Purchaser's approval thereof and providing therewith the most current draft of the proposed New Sublease. Seller also agrees to provide any other information concerning the New Sublease and proposed subtenant which Purchaser reasonably requests.

8.3. New Agreements. Following the Effective Date, Seller will not enter into any new agreements which affect the use, operation or enjoyment of the Property after Closing, without Purchaser's prior written consent.

8.4. Operation of Property Until Closing. Prior to Closing, Seller will operate and manage the Property in a normal businesslike manner, maintaining present services, and will perform when due all of its obligations under the Ground Lease, the Subleases and the Permitted Exceptions.

8.5. Rent. Seller shall not accept any payments of rent under any Sublease in advance of the then-current month.

8.6. Ground Lease. Seller shall perform all obligations required to be performed by it under the Ground Lease in a timely manner. Seller shall promptly deliver to Purchaser any notice delivered to or received after the Effective Date from Master Landlord under the Ground Lease.

8.7. No Further Encumbrances. Prior to the Closing, Seller will not grant any new deed of trust, mortgage, lien, security interest or other encumbrance encumbering the Property or Seller's interest therein.

8.8. Miscellaneous Covenants. After the date of this Agreement and prior to Closing, Seller agrees: (i) to pay, prior to delinquency, all real property and personal property taxes which become due and payable with respect to the Property; (ii) to make no change in the zoning classification of the Real Property; and (iii) to cause to be maintained all property and liability insurance historically carried in connection with the Property.

9. Conditions Precedent. Unless waived by the party entitled to the benefit thereof, the obligations of either party to close under this Agreement are subject to satisfaction of the conditions that all representations and warranties of the other party contained in this Agreement are true and correct in all material respects as of Closing and that the other party has performed all material covenants, agreements and obligations required to be performed by it under this Agreement.

10. Closing Conditions. Purchaser's closing on the purchase of the Property is contingent upon the occurrence of the following conditions ("Closing Condition"): (i) Purchaser simultaneously acquiring fee simple title to the Real Property (including the underlying ground); (ii) all necessary approvals by the Board of Governors, Board of Trustees, or the State of Florida Governor and Cabinet (sitting as the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida) approval as may be necessary for Closing or Purchaser obtaining the necessary funding to close; (iii) Purchaser obtaining an appropriation by the Legislature; (iv) all subtenant(s) under the Lease Sublease(s) executing a cancellation and release of the Lease/Sublease(s) and executing a new sublease(s) with Acquiring Agency or Trustees for a period not to exceed one (1) year from the Closing Date and upon the terms and conditions approved and used by Trustees in their standard sublease; (v) Acquiring Agency obtaining termination of that certain obligation to install a parking garage pursuant to the Development and Easement Agreement with the Orange County Research and Development Authority; and (vi) Acquiring Agency providing proof that it may install a force protection fence which shall be satisfactory to Acquiring Agency in its sole discretion.

11. Closing. Purchaser and Seller agree that the purchase of the Property will be consummated as follows:

11.1 Closing Date. Closing will occur on the date that is thirty (30) days following the expiration of the Inspection Period, unless extended by the terms of this Agreement, or such earlier date as may be mutually agreed to by the parties (the "*Closing Date*").

11.2 Closing Documents. Seller and Purchaser will deliver or cause to be delivered to each other at Closing, as appropriate, the following items (all documents will be duly executed and acknowledged where required):

11.2.1 Assignment of Ground Lease. An assignment of lease, in the form attached hereto as Exhibit C, conveying to Trustees all of Seller's right, title and interest in and to the Real Property, by virtue of the Ground Lease, the Subleases and the Permitted Exceptions.

11.2.3 Subleases. Termination of all Leases/Subleases and execution of new Sublease by and between Trustees and Acquiring Agency, and execution of new Subleases between Acquiring Agency and the current subtenants as subtenants, in forms that are acceptable to Purchaser. Seller will agree to indemnify, protect, defend and hold Purchaser harmless from and against any and all claims, damages, losses, liabilities, costs and/or expenses, including reasonable attorneys' fees, asserted against or suffered or incurred by Purchaser as a result of or in connection with any liabilities or obligations arising under the Leases/Subleases prior to Closing, and Acquiring Agency will assume and agree to perform all liabilities and obligations of Seller under the new subleases arising on or subsequent to Closing, and to the extent permitted by Florida law, Acquiring Agency will agree to indemnify, protect, defend and hold Seller harmless from and against any and all claims, damages, losses, liabilities, costs and/or expenses, including reasonable attorneys' fees, asserted against or suffered or incurred by Seller as a result of or in connection with any liabilities or obligations arising under the new subleases.

11.2.4 General Assignment. A general assignment, in the form attached hereto as Exhibit E, pursuant to which Seller will assign to Trustees all of Seller's right, title and interest in and to the Permits, the Warranties, the Plans and the Intangible Property.

11.2.5 Title Policy. The Title Policy or an unconditional commitment by Title Company to issue the Title Policy promptly after Closing.

11.2.6 Non-Foreign Affidavit. An affidavit of Seller that evidences that it is exempt from the withholding requirements of Section 1445 of the Code.

11.2.7 Subtenant Notifications. Seller shall deliver to Purchaser signed notifications to be sent to each subtenant under the Subleases, if any, after Closing advising of the transfer of ownership and directing that all further payments of rent be made as directed by Purchaser.

11.2.8 State Specific Documents. Any disclosures, reports, instruments or other documents required by the Title Company or the laws of the State of Florida in order to consummate the sale of the Property. Specifically, within ten (10) days of Seller's execution of this Agreement, Seller shall deliver to Purchaser a properly completed and executed beneficial interest affidavit and disclosure statement as required by Sections 286.23, 375.031(1) and 380.08(2), Florida Statutes.

11.2.9 Settlement Sheets and Funds. Settlement statements reflecting the Purchase Price and all adjustments and proration to be made thereto pursuant to this Agreement including, without limitation, paragraph 12 below, together with any amounts, in immediately available funds, required to be paid by either party thereunder.

11.2.10 Updated Certificates. Seller will deliver to Purchaser a duly executed certificate as contemplated by paragraph 5.3 hereof on DSL's standard approved forms. Seller's certificate will contain an update to the Rent Roll indicating any matters thereon that have changed from the date of the Rent Roll to the Closing Date. Purchaser will deliver to Purchaser a duly executed certificate as contemplated by paragraph 6.2 hereof.

11.3 Further Documents. Seller and Purchaser will execute and deliver such other documents and will take such other action at Closing as may be necessary or appropriate to carry out their respective obligations under this Agreement, without further representations or warranties other than those contained herein.

11.4 Possession, Additional Deliveries. On the Closing Date, Seller will deliver to Purchaser all keys to the Improvements and the Subleases, Contracts, Permits and Warranties and the Plans to the extent in Seller's possession.

12. **Adjustments and Prorations**. The following adjustments and prorations will be made at Closing and reflected, where appropriate, on the settlement sheets described in paragraph 11 above:

12.1. Sublease Rentals. All income from the Subleases, if any, and any portion of the Property shall be prorated through the Closing on the basis that Purchaser shall receive a credit for all rent which Seller has actually received and is allocable to the period after the Closing Date. Acquiring Agency shall receive all income accruing on or after the Closing Date, and Seller shall receive all income accruing prior to the Closing Date. Delinquent rent due from subtenants under the Subleases, if any, on or prior to the Closing collected by Acquiring Agency after the Closing shall be paid over by Purchaser to Seller as and when collected. Any rents collected by Acquiring Agency after Closing shall be first applied to the current month's rent due on the date of receipt or rent to become due within fourteen days thereafter, then to delinquent rents for any period occurring after the Closing Date and then to delinquent rents for any period occurring on or prior to the Closing Date. Seller shall also give Purchaser credit for any security and other deposits held under the terms of any and all Subleases and Purchaser shall assume responsibility to the subtenants with respect to any such security deposits.

12.2. Ground Lease. To the extent applicable, rents payable under the Ground Lease will be prorated between Seller and Acquiring Agency through the Closing Date. Seller will pay all such amounts due under the Ground Lease and attributable to any period on or prior to the Closing Date. Acquiring Agency shall pay all amounts due under the Ground Lease and attributable to any period after the Closing Date.

12.3. Ad Valorem Taxes. All real estate and personal property taxes attributable to the Property shall be paid by Seller at Closing pursuant to section 196.295, Florida Statutes. Seller shall pay all such taxes due and payable at Closing and which are attributable to the Property for any period on or prior to the Closing Date. If Trustees acquire title to the Property between January 1 and November 1, Seller shall, in accordance with section 196.295, Florida Statutes, place in escrow with the county tax collector an amount equal to the current taxes prorated to the date of transfer, based upon the current assessment and millage rates on the

Property. If Trustees acquire title to the Property on or after November 1, Seller shall pay to the county tax collector an amount equal to the taxes that are determined to be legally due and payable by the county tax collector.

12.4. Operating Expenses. Operating Expenses attributable to the Property shall be prorated at Closing. Seller will pay all utility charges and other operating expenses attributable to the Property through the Closing Date (except for those utility charges and operating expenses payable directly by the subtenants in accordance with the Subleases, if any). Seller and Purchaser will adjust after Closing in cash at the time such adjustments are made with any subtenants, any overbilling or underbilling of the subtenants under the Subleases for operating expenses and/or real or personal property taxes payable by a subtenant pursuant to the Subleases resulting from a difference in the actual operating expenses and taxes for the Property payable by the subtenants during the year of Closing and the estimated operating expenses upon which such subtenant's estimated payments are currently being made. Purchaser will arrange with all utilities services and companies servicing the Property to have new accounts started in the name of Purchaser beginning at 12:01 a.m. on the Closing Date.

12.5. Documentary Stamp Taxes. Seller shall pay all documentary stamp taxes on the Assignment and Assumption of Ground Lease described in paragraph 11.2.1 of this Agreement and associated with the conveyance, if any, of the Property to Trustees.

12.6 Closing Costs. In addition to the allocation of costs set forth in other provisions of this Agreement, (i) Seller shall be responsible for the payment of: (a) the cost of satisfying any liens on the Property, (b) the cost to cure title defects to the extent agreed to by Seller, (c) the fees of Seller's attorneys, and (d) the Broker's commission as set forth in Section 14 below; and (ii) Acquiring Agency shall be responsible for the payment of: (a) all costs of conducting its investigations of the Property, (b) all title insurance premiums attributable to the cost of the Title Policy including, without limitation, the cost of any special endorsements to such Title Policy (excluding the costs referenced above with respect to Seller's cure of title objections if agreed to by Seller), (c) the fees of Purchaser's attorneys, (d) all nominal recording costs, (e) the cost for any new or re-certified Survey obtained by Purchaser, and (e) any expenses of financing the Purchase Price including, but not limited to, appraisals and documentary stamp taxes on any mortgage with accompanying intangible tax.

12.7 Date of Prorations. The prorations and adjustments provided for in this Section 12 shall be made so that the Acquiring Agency shall receive the income and be charged with the expense of the operation of the Property on or after the Closing Date and Seller shall receive the income and be charged with the expense of operation of the Property before the Closing Date.

12.8 Survival. The parties' obligations under this paragraph 12, to the extent not fully discharged by or through Closing, will survive Closing and remain fully enforceable thereafter.

### 13. **Casualty Damage.**

13.1. Notice and Estimate. In the event that the Improvements should be damaged by any casualty prior to Closing, Seller will promptly give Purchaser written notice of such occurrence, and as soon thereafter as practicable, will provide Purchaser with an estimate made by an architect, engineer or contractor selected by Seller and approved by Purchaser (which approval will not be unreasonably withheld or delayed) of the cost and amount of time required to repair such damage. If it is so estimated that it will take longer than until the Closing Date to repair such damage and if neither party terminates this Agreement pursuant to paragraphs 13.2 and 13.3 below, then Purchaser will be given an opportunity to review and approve any construction contract which Seller proposes to enter into to have such damage repaired and Purchaser will not unreasonably withhold or delay such approval.

13.2. Minor Damage. If the estimated cost of repairing such damage is less than \$250,000.00, Purchaser may elect to terminate this Agreement upon written notice to the Seller within ten (10) days after receipt of the estimate, in which event the Title Company will return the deposit to Purchaser and both parties will be relieved of any further obligations hereunder, except the Surviving Obligations; however, if Purchaser does not elect to so terminate the Agreement, then Seller will promptly contract for and commence the repairs and complete so much thereof as may be accomplished prior to the Closing Date. In the event such repairs are not completed on or before the Closing Date, Seller will assign to Purchaser so much of the insurance proceeds resulting from such damage as have not then been expended for repairs, and Seller will assign to Purchaser, and Purchaser will assume, the rights and obligations under the construction contract pursuant to which such repairs are being completed.

13.3. Major Damage. If the estimated cost of such repairs is \$250,000.00 or more, then either Seller or Purchaser may elect to terminate this Agreement upon written notice to the other given within ten (10) days after both parties' receipt of the estimate in which event the Title Company will return the Deposit to Acquiring Agency and both parties will be relieved of any further obligations hereunder, except for the Surviving Obligations; however, if neither party elects to so terminate this Agreement, then this Agreement will remain in full force and effect and the parties will proceed in accordance with paragraph 13.2.

### 14. **Condemnation.**

14.1. Notice. If prior to Closing Seller learns of any actual or threatened taking in condemnation or by eminent domain (or a sale in lieu thereof) of all or any portion of the Real Property, Seller will notify Purchaser promptly thereof.

14.2. Termination. Other than with respect to an "*Immaterial Taking*" (as defined below), any actual or threatened taking or condemnation for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or by any right of eminent domain of all or any part of the Real Property between the date of this Agreement and the Closing Date will, at Purchaser's option, cause a termination of this Agreement. The election to terminate provided hereby must be exercised by Purchaser (or will be deemed to have been waived) by notice to Seller to that effect given within fifteen (15) days following Purchaser's

receipt of Seller's notice pursuant to paragraph 14.1 above. Upon delivery of such termination notice, the Title Company will return the Deposit to Purchaser and both parties will be relieved of any further obligations hereunder, except for the Surviving Obligations. If Purchaser does not elect to so terminate this Agreement, or in the event of an Immaterial Taking, Seller will be relieved of all obligations under this Agreement with respect to the portion of the Real Property so taken or condemned, but Purchaser will be entitled to receive all proceeds of any such taking or condemnation, and Seller agrees that it will not make any adjustment or settlement of any such taking or condemnation proceeding without Purchaser's consent and will take at Closing all action necessary to assign its entire interest in such award to Purchaser. Any taking or condemnation for any public or quasi-public purpose or use which does not affect access, reduce parking or take any part of the Improvements will be deemed an "*Immaterial Taking*."

#### 15. **Brokers and Commissions.**

15.1. Commissions. If, as and when Closing occurs and Seller receives the Purchase Price, Seller will pay to Matthew T. McKeever, CCIM, SIOR of Cushman & Wakefield, Purchaser's broker ("*Broker*"), a commission pursuant to the terms of a separate agreement for services rendered in connection with this transaction. Seller agrees to indemnify and hold Purchaser harmless from and against any loss, liability, damage, cost or expense (including, without limitation, court costs and reasonable attorneys' fees) paid or incurred by Purchaser by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Seller. .

15.2. Survival. The Seller's and Acquiring Agency's obligations under this paragraph 15 will survive Closing or any termination of this Agreement and remain fully enforceable thereafter.

#### 16. **Remedies.**

16.1. Seller's Default. In the event that Seller shall fail to perform any of the material covenants or agreements contained herein which are to be performed by Seller, and such default continues uncured for ten (10) days after written notice specifying such default from Purchaser to Seller, Purchaser may, at its option, either (a) terminate this Agreement by giving written notice of termination to Seller, whereupon the Title Company shall return the Deposit to Purchaser and both Purchaser and Seller shall be relieved of any further obligations or liabilities hereunder except for Surviving Obligations; or (b) seek (i) direct (and not consequential) damages in the amount of Purchaser's third-party out-of-pocket expenses reasonably incurred in connection with Seller's default, or (ii) specific performance of this Agreement and direct (and not consequential) damages in the amount of Purchaser's third-party out-of-pocket expenses reasonably incurred in connection with Seller's default.

16.2 Purchaser's Default. In the event that Purchaser shall fail to perform any of the material covenants or agreements contained herein which are to be performed by Purchaser and such default continues uncured for ten (10) days after written notice specifying such default from Seller to Purchaser, Seller may, at its option, and as its sole and exclusive remedy, terminate this Agreement by giving written notice of termination to Purchaser, whereupon the Title Company shall pay the Deposit to Seller as liquidated damages and both Purchaser and Seller shall be relieved of any further obligations or liabilities hereunder except for Surviving Obligations. The parties acknowledge that Seller's actual damages in the event of a default by Purchaser under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages.

16.3 Indemnities; Defaults after Closing or Termination. The limitations on the parties' remedies set forth in paragraphs 16.1 and 16.2 will not be deemed to prohibit either Seller or Acquiring Agency from (i) seeking indemnification from the other for any matter with respect to which such other party has agreed hereunder to provide indemnification or from seeking damages from such other party in the event it fails or refuses to provide such indemnification; (ii) seeking damages incurred during the period of time after Closing that a representation or warranty given as of the Closing Date by the other party hereunder survives Closing, for the other party's breach of such representation or warranty discovered after such Closing; (iii) seeking damages or such equitable relief as may be available for the other party's failure to perform after Closing hereunder any obligation hereunder which expressly survives Closing; or (iv) seeking damages or such equitable relief as may be available for the other party's failure to perform after any termination of this Agreement any Surviving Obligations; provided, however, that in no event will either party be entitled to recover from the other any punitive, consequential or speculative damages, and no party may claim any indemnification or damages of any kind from Trustees.

17. **General Provisions.** The parties further agree as follows:

17.1. Confidentiality. To the extent not in conflict with Chapter 119, Florida Statutes, each party shall hold in strict confidence all documents and information concerning the other and its business and properties and if the transaction contemplated hereby should not close, such confidence shall be maintained, and all such documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing the same. No public disclosure, either written or oral, of the existence or terms of this Agreement shall be made by either Purchaser or Seller without the consent of the other unless otherwise required by law. The foregoing provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority which it is required to make by law or to prohibit any party from disclosing to its investors, lenders, accountants, consultants and attorneys such terms of this transaction as are customarily disclosed to them in connection with similar acquisitions or from any party instituting a legal action in accordance with Section 15 above to enforce the provisions of this Contract. The parties shall at all time act in accordance with the requirements of Chapter 119, Florida Statutes.

17.2. Time and Dates. Time is of the essence of this Agreement and Seller's and Purchaser's obligations hereunder. For purposes of determining dates under this Agreement

(a) a day that is a specified number of days after a given date will be the day that occurs the specified number of days after (but not including) the given date (so that, e.g., the day that is ten (10) days after January 1 will be January 11); and (b) a day that is a specified number of months after a given date will be the day that occurs on the same day of the calendar month as the given date the specified number of months later (so that, e.g., the day that is four (4) months after January 15 will be May 15). If any date set forth in this Agreement for the delivery of any document or the happening of any event (such as, for example, the expiration of the Inspection Period or the Closing Date) should, under the terms hereof, fall on a weekend or holiday, then such date will be automatically extended to the next succeeding weekday that is not a holiday, which day is sometimes referred to herein as a "business day".

17.3. Attorneys' Fees. In the event it becomes necessary for Purchaser or Seller to file a suit to enforce this Agreement or any provisions contained herein, then each party in such suit will be responsible for its own attorneys' fees and court costs incurred in such suit.

17.4. Entire Agreement. No change or modification of this Agreement will be valid unless the same is in writing and signed by the parties hereto. This Agreement contains the entire agreement between the parties, including, without limitation, any signed or unsigned letters of intent, relating to the purchase and sale of the Property. All prior negotiations between the parties, including without limitation, any signed or unsigned letters of intent, are merged in this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as set forth herein.

17.5. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the State of Florida.

17.6. Notices. All notices, demands or other communications required or permitted to be given hereunder will be in writing and addressed as set forth below. Any and all such items will be deemed to have been duly delivered upon personal delivery; or as of the third business day after mailing by United States mail, certified, return receipt requested, postage prepaid; or as of 12:00 Noon on the immediately following business day after deposit with Federal Express or a similar overnight courier service that provides evidence of receipt; or upon actual receipt if transmitted by facsimile or email to the facsimile number or email address set forth below, provided, however, that any notice given by email shall be promptly confirmed by facsimile:

If to Seller, to:

Cowperwood Orlando I, LLC  
151 Lafayette Drive, Suite 150  
Oak Ridge, Tennessee 37830  
Attention: J. Mark Harvey  
Facsimile: (865) 483.8491  
Email: mharvey@cowperwood.com

Attachment B

With a copy to:

ScottHulse, PC  
1100 Chase Tower  
201 East Main Drive  
El Paso, Texas 79901  
Attention: Bernard D. Felsen  
Facsimile: (915) 546-83333  
Email: [bfel@scotthulse.com](mailto:bfel@scotthulse.com)

If to Trustees, to:

Board of Trustees of the Internal Improvement  
Trust Fund of the State of Florida  
Division of State Lands, Florida Department of Environmental Protection  
3900 Commonwealth Blvd., Mail Station 115  
Tallahassee, Florida 32399-3000

If to Acquiring Agency, to:  
University of Central Florida  
4365 Andromeda Loop North  
Orlando, FL 32816  
Attention: General Counsel

With a copy to:  
Philip L. Logas, Esq.  
Philip L. Logas, P.A.  
1525 International Parkway  
Suite 4021  
Lake Mary, Florida 32746  
Email: [plogas@logaslaw.com](mailto:plogas@logaslaw.com)

The above addresses may be changed by written notice to the other party given as set forth herein.

17.7. No Recording. This Agreement will not be recorded by either party.

17.8. Headings. The headings which appear in some of the Sections of this Agreement are for purposes of convenience and reference and are not in any sense to be construed as modifying the Sections in which they appear.

17.9. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same agreement and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other

counterpart. Executed copies hereof may be delivered by facsimile or email and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

17.10. Assignment. This Agreement cannot be assigned in whole or in part by either party without the prior written consent of the other, provided, however, that Purchaser may assign this Agreement to an Affiliate of Purchaser.

17.11. Successors and Assigns. Subject to paragraph 17.10, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17.12. Effective Date. The "*Effective Date*" of this Agreement shall be the date that this Agreement is last signed by Seller and Purchaser, but in any event shall not be a date prior to approval of this Agreement by the Trustees at a scheduled meeting of the Governor and Cabinet sitting as the Trustees.

17.13. Offer. The execution of this Agreement by one party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by September 30, 2015, the offer will lapse and become null and void.

17.14. Purchaser Approval. In the event Purchaser approval is required for any portion or portions of this Agreement, it shall be required that both the Trustees and Acquiring Agency each give approval. Failure to approve by either party shall not constitute the requisite approval.

17.15. Definitions and Index of Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall, unless expressly stated otherwise, have the meaning specified in this paragraph 17.15. The singular shall include the plural and the masculine shall include the feminine and neuter, and vice versa. "Includes" or "including" shall mean, "including, without limitation."

"*Additional Deposit*" shall have the meaning set forth in paragraph 2.1 hereof.

"*Agreement*" shall have the meaning set forth in the first paragraph hereof.

"*Broker*" shall have the meaning set forth in paragraph 14.2 hereof.

"*Building*" shall have the meaning set forth in the Recitals.

"*Closing*" shall have the meaning set forth in paragraph 2.3 hereof.

"*Closing Date*" shall have the meaning set forth in paragraph 11.1 hereof.

"*Deposit*" shall have the meaning set forth in paragraph 2.1 hereof.

"*Effective Date*" shall have the meaning set forth in paragraph 17.12 hereof.

"*Environmental Law*" means any and all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any governmental authority or requirements of law (including common law) relating to or imposing liability or standards of conduct concerning the protection of human health, the environment or

natural resources, or to releases or threatened releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as now or may hereafter be in effect.

“*Estoppels*” shall have the meaning set forth in paragraph 3.8 hereof.

“*Express Warranties*” shall have the meaning set forth in paragraph 7.1 hereof.

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

“*Ground Lease*” shall have the meaning set forth in the Recitals hereof.

“*Hazardous Materials*” means any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, gasoline and any other petroleum products (including crude oil or any fraction thereof), polychlorinated biphenyls and urea-formaldehyde insulation.

“*Immaterial Taking*” shall have the meaning set forth in paragraph 14.2 hereof.

“*Initial Deposit*” shall have the meaning set forth in paragraph 2.1 hereof.

“*Inspection Period*” shall have the meaning set forth in paragraph 3.4 hereof.

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

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

“*Leasehold Estate*” shall have the meaning set forth in the Recitals hereof.

“*New Sublease*” shall have the meaning set forth in paragraph 8.2 hereof.

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

“*Permitted Exceptions*” shall have the meaning set forth in paragraph 3.2 hereof.

“*Person*”, whether or not capitalized, means any individual, partnership, limited liability company, corporation, association, business trust, government or political subdivision thereof, governmental agency or other entity.

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

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

“*Property Information*” shall have the meaning set forth in paragraph 3.1 hereof.

“*Purchase Price*” shall have the meaning set forth in paragraph 2 hereof.

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

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

“*Rent Roll*” shall have the meaning set forth in paragraph 5.1.5 hereof.

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

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

“*Subsequent Defect*” shall have the meaning set forth in paragraph 4.2 hereof.

“*Survey*” shall have the meaning set forth in paragraph 3.1.1 hereof.

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*“Surviving Obligations”* shall have the meaning set forth in paragraph 3.2 hereof.

*“Title Commitment”* shall have the meaning set forth in paragraph 3.2 hereof.

*“Title Company”* shall have the meaning set forth in paragraph 2 hereof.

*“Title Policy”* shall have the meaning set forth in paragraph 4.1 hereof.

*“Title Underwriter”* shall have the meaning set forth in paragraph 3.2 hereof.

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

***[Balance of Page is Left Intentionally Blank - Signatures Appear on Following Page]***

Attachment B

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

**SELLER:**  
**COWPERWOOD ORLANDO I, LLC,**  
a Florida limited liability company

Witnesses:

*Delana Jordan*  
Print Name: Delana Jordan

*Mitzi E. Hairston*  
Print Name: Mitzi Hairston

By: *J. Mark Harven*  
Name: J. MARK HARVEN  
Title: VICE PRESIDENT  
Date: AUGUST 25, 2015

**TRUSTEES:**

**BOARD OF TRUSTEES OF THE INTERNAL  
IMPROVEMENT TRUST FUND OF THE  
STATE OF FLORIDA**

**BY DIVISION OF STATE LANDS OF  
THE FLORIDA DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

Witnesses:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

BY: \_\_\_\_\_  
Kelley Boree  
Division Director  
Date: \_\_\_\_\_, 2015

Approved as to Form and Legality

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Attachment B

**ACQUIRING AGENCY:**

**UNIVERSITY OF CENTRAL FLORIDA**, a public university, on behalf of its Board of Trustees

Witnesses:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2015

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This Agreement, together with the Initial Deposit described therein in the amount of \$25,000, has been received by the Title Company this \_\_\_ day of \_\_\_\_\_, 2015.

TITLE COMPANY:

Date: \_\_\_\_\_, 201\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

List of Schedules and Exhibits:

Schedules:

Schedule 1 – Description of Leasehold Estate

Schedule 2 – Legal Description of the Land

Schedule 3 – Subleases

Exhibits:

Exhibit A – Form of Estoppel Certificate

Exhibit B – Intentionally Deleted

Exhibit C – Form of Assignment and Assumption of Ground Lease

Exhibit D – Intentionally Deleted

Exhibit E – Form of General Assignment

Attachment B

**Schedule 1**  
**DESCRIPTION OF THE LEASEHOLD ESTATE**

1049215.1

Attachment B

**Schedule 2**  
**LEGAL DESCRIPTION OF THE LAND**  
[Reserved]

1049215.1

Attachment B

**Schedule 3**  
**THE SUBLEASES**

1049215.1

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**Exhibit A**  
**FORM OF TENANT ESTOPPEL CERTIFICATE**

**TENANT ESTOPPEL CERTIFICATE**

\_\_\_\_\_, 2015

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Lease Dated: \_\_\_\_\_, 20\_\_\_\_  
Tenant: \_\_\_\_\_  
Premises: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ladies and Gentlemen:

It is our understanding that the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, by and through the University of Central Florida, a public university, on behalf of its Board of Trustees, or its assigns (collectively the "Purchaser") will be purchasing the office building (the "Building"), in which the premises described above (the "Premises") are located.

Accordingly, the tenant named above (the "Tenant"), in and under the lease described above (the "Lease") hereby certifies to Purchaser, and any assignee of Purchaser under the Purchase and Sale Agreement between Cowperwood Orlando I, LLC (the "Seller") and Purchaser, that as of the date hereof:

1. The Lease represents the entire agreement between the Seller as the landlord under the Lease ("Landlord") and Tenant, is in full force and effect and has not been assigned, extended, modified, supplemented or amended in any way, except as noted in the attachments hereto, and a true, correct and complete copy of the Lease, including any and all amendments, is attached hereto as Exhibit A.
2. Tenant has accepted possession of the Premises.
3. Tenant has fully inspected the Premises and found the same to be as required by the Lease and in good order and repair, and any improvements required by the Lease to be made by Landlord have been completed to the satisfaction of the undersigned.
4. The primary term of the Lease commenced on \_\_\_\_\_, and continues to \_\_\_\_\_, and contains \_\_\_\_\_ renewal options of \_\_\_\_\_ years each.
5. The current monthly base rent (exclusive of Tenant's share of operating expenses, insurance premiums and taxes) is \$\_\_\_\_\_. Tenant is also obligated to pay its proportionate share of certain taxes, insurance premiums and other costs and expenses associated with the Premises in accordance with the terms of the Lease, and the current monthly payment of such proportionate share is \$\_\_\_\_\_.

Attachment B

6. Rental payments are being made on a current basis and have been paid through the month of \_\_\_\_\_, 2015. Tenant has not entered into any agreements providing for the discounting, advance payment, abatement or offsetting of rents and no rent has been paid for more than one (1) month in advance.

7. Tenant has paid a security deposit of \$ \_\_\_\_\_ to Landlord.

8. As of this date, Tenant has not given Landlord notice of any existing violation of the Lease or notice of Tenant's intent to vacate the Premises other than at the end of the term of the Lease or as otherwise provided in the Lease. To Tenant's knowledge, Landlord is not in default under any of the terms, conditions, provisions or agreements of the Lease, and Tenant has no offsets, claims or defenses against Landlord.

9. Tenant has no options or rights of first refusal to purchase the Building, the Premises or any part thereof, except as set forth in the Lease, which includes \_\_\_\_\_.

10. Tenant is the sole owner and holder of the leasehold estate created by the Lease. Tenant has not subleased any portion of the Premises, nor has Tenant assigned all or any portion of Tenant's rights under the Lease.

11. All insurance required of Tenant by the Lease has been provided by Tenant and all premiums now due have been paid.

12. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought under said bankruptcy laws with respect to Tenant.

13. Tenant, at Purchaser's request, agrees to cancel the Lease at Purchaser's closing with Landlord and enter into a new lease with Purchaser or Purchaser's designee for a period not to exceed twelve months from the date of closing and upon the terms and conditions contained within the standard sublease form of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida.

14. Tenant acknowledges that Purchaser and its permitted assigns may rely on this Tenant Estoppel Certificate.

Dated: \_\_\_\_\_, 2015.

TENANT:

\_\_\_\_\_ a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment B

**Exhibit B**

**INTENTIONALLY DELETED**

**Exhibit C**  
**FORM OF ASSIGNMENT AND ASSUMPTION OF GROUND LEASE**

**ASSIGNMENT AND ASSUMPTION OF GROUND LEASE**

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (this "Assignment") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2015, between Cowperwood Orlando I, LLC, a Florida limited liability company ("Assignor"), and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("Assignee").

For Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby assigns, transfers and conveys to Assignee, all right, title and interest of Assignor as lessee under that certain Ground Lease described in Exhibit A attached hereto and incorporated herein a memorandum of which is recorded in Official Records Book \_\_\_\_\_, at Page \_\_\_\_\_, of the Public Records of Orange County, Florida by reference for all purposes (the "Ground Lease").

Assignor shall indemnify, protect, defend and hold Assignee harmless from and against any and all claims, damages, losses, liabilities, costs and/or expenses, including reasonable attorneys' fees, asserted against or suffered or incurred by Assignee as a result of or in connection with any liabilities or obligations on the part of Assignor under the Ground Lease accruing prior to the date hereof.

Assignee hereby expressly assumes all liabilities and agrees to perform all obligations of Assignor under the Ground Lease to be performed from and after the date hereof and shall indemnify, protect, defend and hold Assignor harmless from and against any and all claims, damages, losses, liabilities, costs and/or expenses, including reasonable attorneys' fees, asserted against or suffered or incurred by Assignor as a result of or in connection with Assignee's failure to perform such assumed obligations from and after the date hereof.

This Assignment shall bind and inure to Assignor and Assignee and their respective successors and assigns.

**[Remainder of Page Intentionally Blank]**





Attachment B

**Exhibit D**

**INTENTIONALLY DELETED**

**Exhibit E**  
**FORM OF GENERAL ASSIGNMENT**

**GENERAL ASSIGNMENT**

THIS GENERAL ASSIGNMENT (this "Assignment"), is made as of the \_\_\_\_ day of \_\_\_\_\_, 2015, between Cowperwood Orlando I, LLC, a Florida limited liability company ("Assignor"), and Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("Assignee").

Assignee has this day acquired from Assignor all of Assignor's right, title and interest in and to the ground leasehold interest in the land more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"), together with the building (the "Building") located thereon and the other improvements located thereon (such Building and other improvements collectively referred to herein as the "Improvements").

In consideration of Assignee's acquisition of Assignor's right, title and interest in and to the Property and the Improvements and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Assignor hereby assigns, transfers and sets over unto Assignee, and Assignee hereby accepts from Assignor, all right, title and interest of Assignor in and to the following:

1. Warranties, Permits and Plans. All (i) all unexpired warranties, guarantees and bonds, including, without limitation, contractors' and manufacturers' warranties or guarantees, relating to the Improvements, to the extent the same remain in full force and effect and may be lawfully assigned to Assignee (the "Warranties"); (ii) all governmental permits, licenses, certificates and authorizations, including, without limitation, certificates of occupancy, relating to the construction, use or operation of the Property and/or, the Improvements, to the extent the same may be lawfully assigned to Assignee (the "Permits"), and (iii) all site plans, surveys, plats, plans, soil and substratus studies, architectural, construction, road, drainage and utility drawings, plans and specifications, engineering plans and studies, landscape plans, and other plans and studies of any kind if existing and in Assignor's possession or control, to the extent that they relate only to the Property or the Improvements and are assignable (the "Plans).

2. Intangible Property. All rights, privileges, easements, hereditaments, and appurtenances in any way related to, belonging to, or used in connection with the operation of the Property and/or the Improvements (the "Intangible Property"), excluding that certain Ground Lease dated December 29, 2005 between Assignor and Campus Point Realty Corporation, a California corporation, and any amendments or modifications thereto.

Attachment B

This Assignment is made subject to and excepting therefrom (a) claims for any sums owed to Assignor from the obligor that were asserted in writing by Assignor on or before the date hereof and (b) claims for sums incurred by Assignor arising out of or in connection with correction by Assignor of any defects in the condition of any improvements to the Property, if any, and disclosed to Assignee in writing prior to the date hereof.

EXCEPT FOR THOSE CERTAIN WARRANTIES AND REPRESENTATIONS THAT ARE SET FORTH IN THAT CERTAIN PURCHASE AND SALE AGREEMENT BY AND BETWEEN ASSIGNOR AND ASSIGNEE, ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY NATURE OR KIND, WHETHER STATUTORY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE CONTRACT OR PROPERTY RIGHTS ASSIGNED HEREBY, INCLUDING, BUT NOT LIMITED TO: TITLE; COMPLIANCE WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; DOCUMENTS PREPARED BY ANY THIRD PARTY; PATENT INFRINGEMENT OR LATENT DEFECTS. BY ACCEPTANCE OF THIS ASSIGNMENT, ASSIGNEE ACKNOWLEDGES THAT IT HAS INSPECTED SUCH ASSIGNED CONTRACT AND/OR PROPERTY RIGHTS AND HAS SATISFIED ITSELF AS TO THE CONDITION OF SAME AND THAT IT ACCEPTS THE SAME "AS IS, WHERE IS" AND "WITH ALL FAULTS," WITHOUT REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, each party shall bear its own costs and expenses of such litigation including, without limitation, reasonable attorneys' fees.

This Assignment may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

Assignor shall, at no cost to Assignor, (i) cooperate with Assignee to fully vest in Assignee the rights, titles and interests intended to be assigned by this Assignment, and (ii) execute and deliver to Assignee all documents, instruments or conveyances reasonably required to accomplish such transfer.

This Assignment shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

[Signature page follows]

Attachment B

**ASSIGNOR:**

**COWPERWOOD ORLANDO I, LLC**, a Florida limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

Board of Trustees of the Internal Improvement Trust Fund of the State of Florida

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ITEM: INFO-1

University of Central Florida  
Board of Trustees  
Finance and Facilities Committee

**SUBJECT:** University Operating Budget Report Ended June 30, 2015

**DATE:** September 24, 2015

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For information only.

ITEM: INFO-1

## University of Central Florida Operating Budget Status

**June 30, 2015**

### *Year-to-Date Activity and Variances*

The attached reports include revenues and expenditures for the 12 months ended June 30, 2015, compared to the operating budget. Student credit hours are consistent with the enrollment plan and are slightly higher than the prior year by 1 percent. Revenues as a percentage of budget are consistent with the prior year. Expenditures as a percentage of the budget are approximately 3 percent higher than the prior year. Overall, revenues and expenditures as a percent of the operating budget are 86 percent and 85 percent, respectively. Specific activities and variances in certain budget categories are described below.

#### Educational & General

E&G revenues increased \$31.4 million. State appropriations increased \$27.2 million, which is primarily due to new performance-based funding and adjustments for compensation and benefits.

E&G expenditures increased by \$45.7 million. Salaries and benefits increased \$33.6 million, which included pay rate, headcount, and legislative increases in employer contributions for benefits. Other operating expenses increased by \$12.8 million including increases in license, maintenance, and other software related costs, financial aid expenditures, and consulting and contracted services. These and other increases were offset by fewer expenditures for facility improvements, a lower than expected Conference USA payment, and one-time prior-year transfers to other universities for TEAM Grant revenues that were received.

#### Medical School

Medical school revenues increased by \$4.2 million due to increased student fees and state appropriations.

Total medical school expenditures increased by \$7.3 million. Compensation and benefits increased \$4 million, which included pay rate, headcount, and legislative increases in employer contributions for benefits. Other operating expenses increased \$2.9 million of which \$1.3 million was related to increases in financial aid, rental of facilities, and library and software subscriptions expenditures.

#### Auxiliary Enterprises

Auxiliary revenues increased by \$10.7 million. Student fee revenues increased by \$5.9 million primarily related to transportation and health fees. \$2.7 million in external funding was received for the College of Medicine auxiliary activities.

Expenditures increased by \$17.4 million. Accumulated investment gains of \$13.9 million were transferred to fund construction for the new Global Achievement Academy building and Interdisciplinary Research building. Salaries and benefits increased \$7.9 million, which reflected employment cost increases and new positions. These increases were offset by a decrease in other

ITEM: INFO-1

**University of Central Florida  
Operating Budget Status**

**June 30, 2015**

construction-related prior year transfer expenses of \$5.1 million relating to health services and housing.

Sponsored Research

Sponsored research revenues in the prior year were higher than normal in conjunction with the implementation of a new financial systems accounts receivable module. Effective November 2013, revenues are recorded on an accrual basis. The current year decrease reflects the impact of the conversion to full-accrual accounting in the prior year.

Overall expenditures increased \$17.2 million. Grant-related subcontractor expenses increased \$11.6 million primarily related to a new \$12.7 million federal grant with the Florida Space Institute. Current year expenditures also included \$9 million to support the Florida Advanced Manufacturing Research Center.

Student Financial Aid

Revenues increased \$12.8 million. Federal funding increased \$4.6 million for grants and \$5.4 million for loans. State funding for scholarships decreased \$3.9 million primarily due to a decrease in the Bright Futures program. Private funding for loans and scholarships increased \$2.2 million, and institutional funding for merit-based scholarships increased \$3.3 million.

Expenditures increased \$15 million. Federal-funded awards increased \$10 million. State-funded awards decreased \$4.5 million. Private awards increased \$1.5 million. Institutional grants increased \$4.5 million. Differences between revenues and expenditures by category are primarily related to timing differences between receipt and disbursement of funds.

Student Activities

Revenues increased \$1.9 million primarily related to activity and service fees. Expenses were consistent with the prior year.

Concessions

Revenues and expenses were consistent with the prior year.

Technology Fee

Technology fee revenues were consistent with the prior year. Technology fee expense variances were due to timing differences in the progress of the various projects. Approximately 37 percent of 2014-15 and 95 percent of the prior years' awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress.

# University of Central Florida Operating Budget Report

as of June 30, 2015 (100% of year)

## 2014-15

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 532,780,112	\$ 514,618,218	\$ 673,355,376	76.4%	79.1%	\$ 18,161,893	\$ 153,440,388
Medical School	40,029,289	37,044,935	57,083,903	64.9%	70.1%	2,984,354	20,535,923
Auxiliary Enterprises	185,040,819	183,228,219	206,596,893	88.7%	89.6%	1,812,600	168,016,144
Sponsored Research	143,151,392	150,060,254	152,584,000	98.3%	93.8%	(6,908,862)	34,148,458
Student Financial Aid	464,171,120	465,426,497	503,923,681	92.4%	92.1%	(1,255,376)	28,901,462
Student Activities	20,049,649	19,342,425	20,000,000	96.7%	100.2%	707,224	8,312,809
Concessions	509,722	330,305	460,000	71.8%	110.8%	179,417	1,103,762
Technology Fee	9,045,824	6,216,941	9,100,000	68.3%	99.4%	2,828,883	4,518,932
	<b>\$ 1,394,777,927</b>	<b>\$ 1,376,267,794</b>	<b>\$ 1,623,103,853</b>	<b>84.8%</b>	<b>85.9%</b>	<b>\$ 18,510,132</b>	<b>\$ 418,977,877</b>

## 2013-14

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 501,347,043	\$ 468,931,218	\$ 611,434,294	76.7%	82.0%	\$ 32,415,825	\$ 121,024,562
Medical School	35,823,976	29,784,418	48,249,923	61.7%	74.2%	6,039,558	14,496,365
Auxiliary Enterprises	174,317,591	165,800,333	188,545,104	87.9%	92.5%	8,517,258	159,498,886
Sponsored Research	143,198,054	132,847,365	150,912,000	88.0%	94.9%	10,350,688	23,797,770
Student Financial Aid	451,327,166	450,985,732	521,544,307	86.5%	86.5%	341,434	28,560,028
Student Activities	18,164,462	18,806,150	21,945,080	85.7%	82.8%	(641,688)	8,954,497
Concessions	500,783	281,708	420,000	67.1%	119.2%	219,075	884,687
Technology Fee	8,955,030	9,147,734	9,945,000	92.0%	90.0%	(192,704)	4,711,636
	<b>\$ 1,333,634,105</b>	<b>\$ 1,276,584,659</b>	<b>\$ 1,552,995,708</b>	<b>82.2%</b>	<b>85.9%</b>	<b>\$ 57,049,446</b>	<b>\$ 361,928,431</b>

# University of Central Florida Operating Expenditure Report

as of June 30, 2015 (100% of year)

## 2014-15

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 357,432,709	\$ 150,843,220	\$ 6,342,289	\$ -	\$ 514,618,218	69.5%	29.3%	1.2%	-	100.0%
Medical School	25,281,491	10,778,787	984,656	-	37,044,935	68.2%	29.1%	2.7%	-	100.0%
Auxiliary Enterprises	56,732,296	109,313,913	1,803,051	15,378,960	183,228,219	31.0%	59.7%	1.0%	8.4%	100.0%
Sponsored Research	60,952,632	83,137,581	5,970,041	-	150,060,254	40.6%	55.4%	4.0%	-	100.0%
Student Financial Aid	3,385,813	462,040,684	-	-	465,426,497	0.7%	99.3%	-	-	100.0%
Student Activities	9,874,960	9,452,988	14,477	-	19,342,425	51.1%	48.9%	0.1%	-	100.0%
Concessions	2,368	327,937	-	-	330,305	0.7%	99.3%	-	-	100.0%
Technology Fee	3,328	4,176,189	2,037,424	-	6,216,941	0.1%	67.2%	32.8%	-	100.0%
	<b>\$ 513,665,597</b>	<b>\$ 830,071,299</b>	<b>\$ 17,151,939</b>	<b>\$ 15,378,960</b>	<b>\$ 1,376,267,794</b>	<b>37.3%</b>	<b>60.3%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>100.0%</b>

## 2013-14

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 323,864,405	\$ 138,057,989	\$ 7,008,824	\$ -	\$ 468,931,218	69.1%	29.4%	1.5%	-	100.0%
Medical School	21,315,927	7,901,775	566,716	-	29,784,418	71.6%	26.5%	1.9%	-	100.0%
Auxiliary Enterprises	48,824,615	100,694,371	2,243,888	14,037,459	165,800,333	29.4%	60.7%	1.4%	8.5%	100.0%
Sponsored Research	64,318,353	63,026,517	5,502,494	-	132,847,365	48.4%	47.4%	4.1%	-	100.0%
Student Financial Aid	3,951,234	447,034,497	-	-	450,985,732	0.9%	99.1%	-	-	100.0%
Student Activities	9,634,009	9,134,638	37,503	-	18,806,150	51.2%	48.6%	0.2%	-	100.0%
Concessions	4,233	277,476	-	-	281,708	1.5%	98.5%	-	-	100.0%
Technology Fee	46,864	5,383,565	3,717,305	-	9,147,734	0.5%	58.9%	40.6%	-	100.0%
	<b>\$ 471,959,640</b>	<b>\$ 771,510,829</b>	<b>\$ 19,076,731</b>	<b>\$ 14,037,459</b>	<b>\$ 1,276,584,659</b>	<b>37.0%</b>	<b>60.4%</b>	<b>1.5%</b>	<b>1.1%</b>	<b>100.0%</b>

# University of Central Florida Operating Budget Report

as of June 30, 2015 (100% of year)

## Statistical Information

### *Student Credit Hours*<sup>1</sup>

#### *Actual Compared to UCF Plan*

	2014-15				2013-14			
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer <sup>2</sup>	225,671	238,120	(12,449)	-5.2%	228,164	228,060	104	0.0%
Fall	651,023	644,740	6,283	1.0%	644,246	643,743	503	0.1%
Spring	629,605	621,811	7,794	1.3%	619,437	616,987	2,450	0.4%
	1,506,299	1,504,671	1,628	0.1%	1,491,847	1,488,790	3,057	0.2%

#### *Current Year Compared to Prior Year*

	2014-15		2013-14		2013-14		2012-13	
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer <sup>2</sup>	225,671	228,164	(2,493)	-1.1%	228,164	235,805	(7,641)	-3.2%
Fall	651,023	644,246	6,778	1.1%	644,246	649,923	(5,678)	-0.9%
Spring	629,605	619,437	10,168	1.6%	619,437	622,636	(3,199)	-0.5%
	1,506,299	1,491,847	14,453	1.0%	1,491,847	1,508,364	(16,518)	-1.1%

### *Additional Statistical Information*

	2014-15	2013-14	Difference	% Variance
Student headcount - Fall 2014 and 2013	60,821	59,770	1,051	1.8%
Percent in-state students - Fall 2014 and 2013	94.1%	94.7%	-0.6%	
Foundation endowment - June 30, 2014, and 2013	\$ 152,717,147	\$ 133,827,336	\$ 18,889,811	14.1%
Foundation assets - June 30, 2014, and 2013	\$ 287,546,289	\$ 263,770,330	\$ 23,775,959	9.0%
On-campus Housing, including Greek Housing <sup>3</sup>	6,896			
Rosen Campus housing <sup>3</sup>	380			
Affiliated housing <sup>3</sup>	3,723			
Managed housing <sup>3</sup>	594			
Gross square footage - Orlando Campus <sup>3</sup>	7,862,933			
Acreage - Orlando Campus <sup>3</sup>	1,415			

<sup>1</sup> Medical students are not included in student credit hours.

<sup>2</sup> Summer 2014 data. Summer 2015 will be included in 2015-16 reporting.

<sup>3</sup> As of Fall 2014.

## University of Central Florida Operating Budget Status

### Explanation of Terms

#### *Budgets*

**Educational & General.** The Educational & General budget includes expenditures for instructional activities and related administrative support. This budget is funded by general revenue, Educational Enhancement funds, and student fees. E&G student fees include tuition and out-of-state fees.

**Auxiliary Enterprises.** Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, and Material and Supply Fees.

**Sponsored Research.** Sponsored research includes research activities that are funded by federal, state, local, and private funds.

**Student Financial Aid.** The student financial aid budget largely represents scholarship and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the Fall and Spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

**Student Activities.** The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes all expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

**Concessions.** The concessions budget is funded from vending machine revenue. These funds are used for events and other expenditures that support the university.

**Technology Fee.** The technology fee was established in January 2009 as allowed by Florida Statute 1009.24. The university began charging 5 percent of the tuition per credit hour beginning in the fall term of the 2009-10 academic year. A committee and guidelines for the allocation and use of the technology resources were established. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

## University of Central Florida Operating Budget Status

### Explanation of Terms

#### *Expenditure Categories*

**Salaries and Benefits.** Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 31 percent of salaries for permanent employees.

**Expenses.** Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

**Capital Purchases.** Capital purchases include personal property with a value of \$5,000 or more and library resources with a value of \$250 or more, and an expected life of one year or more.

**Debt Service.** Debt service includes principal and interest payments on bonds and other loans within the university.

ITEM: INFO-2

University of Central Florida  
Board of Trustees  
Finance and Facilities Committee

**SUBJECT:** UCF Investments Quarterly Report Ended June 30, 2015

**DATE:** September 24, 2015

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For information only.

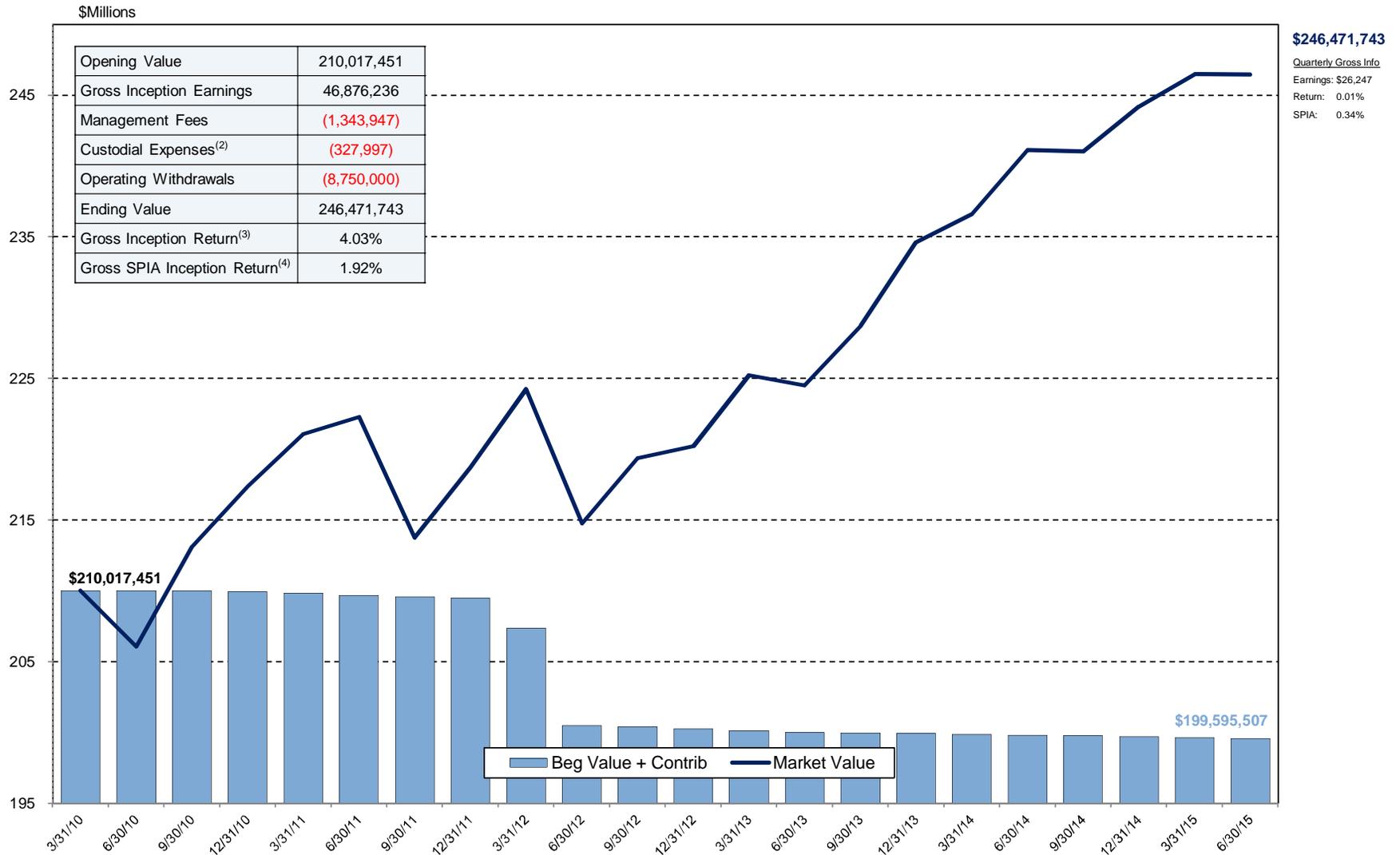
Cash & Non-Investment Portfolio	12/31/2014 Reported Value	3/31/2015 Reported Value	6/30/2015 Reported Value
Bank of America	\$15,579,753	\$1,271,428	\$9,840,495
CNL - Money Market	\$5,007	\$5,007	\$5,008
SPIA	\$289,443,845	\$334,105,269	\$296,638,124
UCF Parking Bonds (SPIA)	\$1,338,849	\$1,022,972	\$1,026,647
UCF Housing Bonds (SPIA)	\$355,424	\$333,330	\$279,531
<b>Total Cash &amp; Non-Investment Portfolio</b>	<b>\$306,722,878</b>	<b>\$336,738,006</b>	<b>\$307,789,806</b>

Structured Investment Portfolio (BNY)	12/31/2014 Market Value	3/31/2015 Market Value	1st Quarter Gain/(Loss)	6/30/2015 Market Value	2nd Quarter Gain/(Loss)	Inception Gain/(Loss) <sup>(2)</sup>
<b>Pool I</b>	<b>\$29,997,110</b>	<b>\$29,992,225</b>	<b>\$740</b>	<b>\$29,992,981</b>	<b>\$756</b>	<b>\$32,444</b>
<b>Pool II</b>	<b>\$20,147,063</b>	<b>\$20,186,931</b>	<b>\$49,545</b>	<b>\$20,201,710</b>	<b>\$19,818</b>	<b>\$326,149</b>
Fixed Income (Pool III) <sup>(3)</sup>	\$100,670,946	\$101,581,086	\$964,464	\$101,513,224	(\$46,119)	\$9,045,434
Domestic Equity (Pool III)	\$19,822,646	\$20,009,950	\$187,303	\$20,065,462	\$55,513	\$10,167,699
<b>Total Pool III</b>	<b>\$120,493,592</b>	<b>\$121,591,036</b>	<b>\$1,151,767</b>	<b>\$121,578,686</b>	<b>\$9,394</b>	<b>\$19,213,133</b>
Fixed Income (Pool IV) <sup>(4)</sup>	\$25,131,721	\$25,521,764	\$413,804	\$25,185,874	(\$327,384)	\$4,473,908
Domestic Equity (Pool IV)	\$38,909,833	\$39,277,490	\$367,657	\$39,386,456	\$108,965	\$20,364,262
International Equity (Pool IV)	\$9,521,586	\$9,911,337	\$389,751	\$10,126,036	\$214,698	\$2,466,339
<b>Total Pool IV</b>	<b>\$73,563,140</b>	<b>\$74,710,591</b>	<b>\$1,171,213</b>	<b>\$74,698,366</b>	<b>(\$3,720)</b>	<b>\$27,304,509</b>
<b>Total Structured Investment Portfolio</b>	<b>\$244,200,904</b>	<b>\$246,480,783</b>	<b>\$2,373,265</b>	<b>\$246,471,743</b>	<b>\$26,247</b>	<b>\$46,876,235</b>

<b>Total Operating Portfolio</b>	<b>\$550,923,782</b>	<b>\$583,218,789</b>	<b>\$554,261,549</b>
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1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.  
 2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.  
 3. Pool III's fixed Income market value includes the \$8,677 cash balance held in the Pool III mutual fund account.  
 4. Pool IV's fixed Income market value includes the \$25,845 cash balance held in the Pool IV mutual fund account.

University of Central Florida  
 Structured Investment Portfolio vs. Net Contributions<sup>(1)</sup>  
 As of June 30, 2015



Quarterly Gross Info  
 Earnings: \$26,247  
 Return: 0.01%  
 SPIA: 0.34%

1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows  
 2. Custodial expense figure is reduced by commission recapture income received  
 3. Annualized performance number. Net of management fees inception earnings = \$45,532,289. Net inception return = 3.91%  
 4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.80%

Pool I:	Yes	No	N/A
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.	✓		

Pool II:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maximum average effective maturity of any single security shall not exceed 3 years.	✓		
Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 years or less.	✓		

Pool III Equity:	Yes	No	N/A
Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.	✓		

Pool III Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA-" or higher.	✓		
The duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		
Operating Pool III shall maintain a dollar-weighted average effective maturity of 7 years or less.	✓		

Pool IV Equity:	Yes	No	N/A
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	✓		
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	✓		

Pool IV Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		

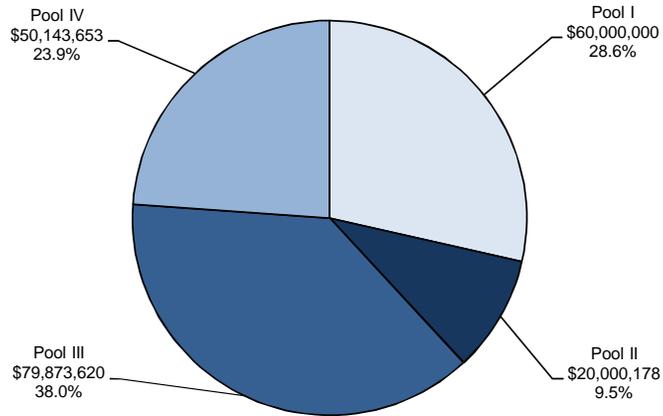
1. Taken as an excerpt from the UCF quarterly performance evaluation report. Individual managers are also measured on an ongoing basis against a combination of 15 quantitative and qualitative criteria.

Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	30% Barclays Agg + 5% Barclays TIPS + 50% S&P 500 + 15% MSCI-ACWxUS

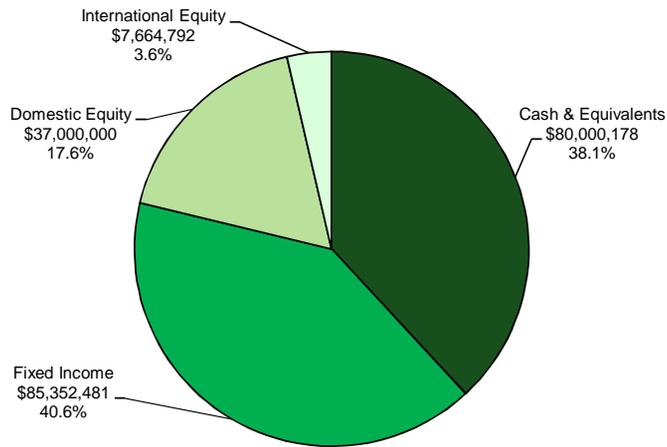
Pool I	\$29,992,981	Current Allocation	Pool II	\$20,201,710	Current Allocation
<b>Cash &amp; Equivalents</b>	<b>\$29,992,981</b>	<b>100.0%</b>	<b>Short-Term Fixed Income</b>	<b>\$20,201,710</b>	<b>100.0%</b>
Fidelity Money Market	\$29,992,981		Galliard Capital Management	\$20,201,710	
<b>Pool III</b>	<b>\$121,578,685</b>	<b>Current Allocation</b>	<b>Pool IV</b>	<b>\$74,698,366</b>	<b>Current Allocation</b>
<b>Intermediate Fixed Income (85%)</b>	<b>\$101,504,547</b>	<b>83.5%</b>	<b>Broad Market Fixed Income (35%)</b>	<b>\$25,185,874</b>	<b>33.7%</b>
Galliard Capital Management	\$54,711,185		Galliard Capital Management	\$14,773,715	
Sawgrass Asset Management	\$46,793,361		Dodge & Cox Income <sup>(2)</sup>	\$7,377,694	
<b>Domestic Equity (15%)</b>	<b>\$20,074,139</b>	<b>16.5%</b>	Galliard Treasury Inflation Protected (TIPS)	\$3,034,465	
Vanguard Institutional Index <sup>(1)</sup>	\$20,074,139		<b>Domestic Equity (50%)</b>	<b>\$39,386,456</b>	<b>52.7%</b>
			Vanguard Institutional Index	\$39,386,456	
			<b>International Equity (15%)</b>	<b>\$10,126,036</b>	<b>13.6%</b>
			Europacific Growth	\$10,126,036	

1. Pool III's Vanguard Institutional Index market value includes the \$8,677 cash balance held in the Pool III mutual fund account.  
 2. Pool IV's Dodge & Cox Income market value includes the \$25,845 cash balance held in the Pool IV mutual fund account.

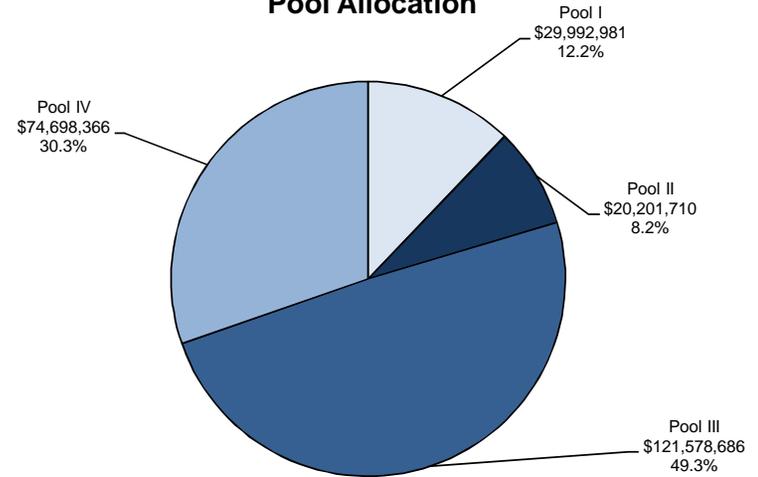
**3/31/2010: \$210,017,451  
 Pool Allocation**



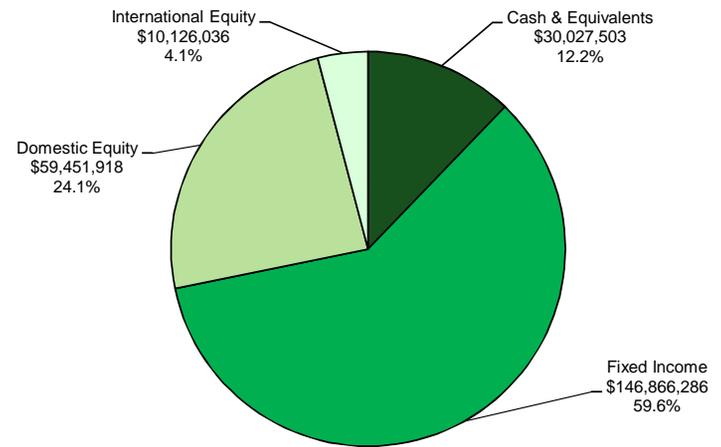
**Asset Allocation**



**6/30/2015: \$246,471,743  
 Pool Allocation**



**Asset Allocation**



ITEM: INFO-3

University of Central Florida  
Board of Trustees  
Finance and Facilities Committee

**SUBJECT:** University and DSO Debt Report

**DATE:** September 24, 2015

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For information only.

**Finance and Facilities Committee Meeting - Information**

**University and DSO Debt**

**By Entity  
As of June 30, 2015**

	Debt Outstanding			Debt Service 2016	Sources of Payment
	Fixed	Variable	Total		
University					
Health Center - revenue bonds	\$ 4,430,000	\$ -	\$ 4,430,000	\$ 618,993	Health fees
Parking - revenue bonds	34,160,000	-	34,160,000	5,112,758	Transportation access fees, decals, fines
Housing - revenue bonds	101,190,000	-	101,190,000	8,794,739	Room rents
Total University	139,780,000	-	139,780,000	14,526,490	
UCF Hospitality School Student Housing Foundation					
Housing - revenue bonds	13,055,000	-	13,055,000	1,513,289 <sup>1</sup>	Total project revenues
UCF Convocation Corporation					
Housing and retail revenue COPs	116,550,000	-	116,550,000	8,152,141	Total project revenues
Arena and retail revenue COPs	92,225,000	-	92,225,000	2,314,360 <sup>2</sup>	Total project revenues
Total UCF Convocation Corporation	208,775,000	-	208,775,000	10,466,501	
UCF Stadium Corporation					
Stadium revenue COPs	39,460,000	11,430,000	50,890,000	3,159,218	Stadium revenues, university resources
Student Leadership Center	4,010,000	-	4,010,000	343,123	Pledged donations
Total UCF Stadium Corporation	43,470,000	11,430,000	54,900,000	3,502,340	
UCF Finance Corporation					
Burnett Biomedical Research facility bonds	54,085,000	-	54,085,000	3,725,741 <sup>3</sup>	Sponsored programs
UCF Athletics Association					
Due to university (principal only)		9,946,557	9,946,557	3,031,485	UCFAA and stadium restricted surplus funds
SunTrust	79,432	-	79,432	33,929	UCFAA revenues, pledge payments
Fifth Third lines of credit		6,435,000	6,435,000	250,000	UCFAA revenues and Title IX funds
Total UCF Athletics Association	79,432	16,381,557	16,460,989	3,315,414	
UCF Foundation					
SunTrust	-	965,000	965,000	983,094	Property rentals, pledge revenues
Benton and Cole Trusts	1,963,550	-	1,963,550	142,500	Property rentals, pledge revenues
Fairwinds	161,714	-	161,714	165,455	Property rentals, pledge revenues
BB&T	24,300,000	-	24,300,000	2,799,870	Property rentals, pledge revenues
Total UCF Foundation	26,425,264	965,000	27,390,264	4,090,919	
Total University and DSO Debt	<u>\$ 485,669,696</u>	<u>\$ 28,776,557</u>	<u>\$ 514,446,253</u>	<u>\$ 41,140,694</u>	

<sup>1</sup> The university housing auxiliary is responsible for the Rosen Foundation debt service. The debt has a fixed-rate interest swap.

<sup>2</sup> The arena debt was refunded in August 2015, which resulted in smaller principal and interest payments for 2015-16.

<sup>3</sup> These bonds have a synthetic fixed-rate interest swap.

Lines of Credit	Maximum Amount	Outstanding	Available
UCF Athletics Association			
Fifth Third lines of credit	8,435,000	6,435,000	2,000,000

Variable Rate Debt	Outstanding	Rate
UCF Stadium Corporation	\$ 11,430,000	0.98%
UCF Athletics Association		
Fifth Third lines of credit	6,435,000	1.46% - 2.18%
University loan	9,946,557	0.98%
UCF Foundation		
SunTrust	965,000	2.65%
Total variable debt outstanding	<u>\$ 28,776,557</u>	

ITEM: INFO-4

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** 2016 Revised Finance and Facilities Committee Meeting Dates

**DATE:** September 24, 2015

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**PROPOSED COMMITTEE ACTION**

Information only.

**BACKGROUND INFORMATION**

The 2016 Board of Trustees' Finance and Facilities Committee meetings are scheduled as follows and are subject to change:

March 2	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
April 13	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
May 26	Time - TBD	Thursday	Fairwinds Alumni Center
June 22	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
August 24	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
October 12	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
December 7	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393

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**Supporting documentation:** None

**Prepared by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer