



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees  
Finance and Facilities Committee Meeting**

**July 20, 2017**

**10:45 a.m. – 11:30 p.m**

**Live Oak 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 of Administrative Services<br/>for Administration and Finance Division</i>   |
| <b>III. NEW BUSINESS</b>   | Chair Martins  |
| <ul style="list-style-type: none"><li>• 2017-18 Updated University Operating Budget <a href="#">(FFC-1)</a></li></ul>              | William F. Merck II<br><i>Vice President for Administration and Finance and Chief Financial Officer</i><br>Tracy Clark<br><i>Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance</i> |
| <ul style="list-style-type: none"><li>• Refinancing of UCF Finance Corporation Series 2007 Bonds <a href="#">(FFC-2)</a></li></ul> | William F. Merck II<br>John C. Pittman<br><i>Associate Vice President for Administration and Finance, Debt Management</i>  |

- 2017-18 Direct Support Organizations' Budgets (FFC-3)
  - UCF Athletics Association

William F. Merck II  
John C. Pittman  
Danny White  
*Vice President and Director of Athletics*
- Campus Concessions Food Service Management Agreement (FFC-4)

William F. Merck II  
Rick Falco  
*Director, Student Union*
- Amendment to Sublease Agreement between UCF and Pegasus Hotel LLC (FFC-5)

William F. Merck II  
Scott Cole  
*Vice President and General Counsel*
- Financing of Solar Farm (FFC-6)

William F. Merck II  
Lee Kernek  
*Associate Vice President for Administration and Finance*  
Curtis Wade  
*Director of Utilities and Energy Services*
- Baseball Stadium Expansion (FFC-7)

William F. Merck II  
John C. Pittman
- Amendment to the Revised and Restated Development Agreement with Osceola County Including Appendix B Lease Agreement (FFC-8)

William F. Merck II  
Sandra Sovinski  
*Senior Associate General Counsel*

**IV. OTHER BUSINESS**

Chair Martins

**V. CLOSING COMMENTS**

Chair Martins

**ITEM: FFC-1**

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

**SUBJECT:** 2017-18 Updated University Operating Budget

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the university's revised 2017-18 operating budget.

**BACKGROUND INFORMATION**

Approve the operating budgets for the Educational & General, Medical School, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, Technology Fee, and Concessions areas as indicated in Attachment A.

The Educational & General budget has been amended to reflect the allocation of state performance funding as approved by the Board of Governors, as well as the results from the governor's vetoes and the special session that followed. All other budgets previously approved by the Finance and Facilities Committee on May 18, 2017, remain unchanged.

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**Supporting documentation:** Attachment A: Revised 2017-18 Operating Budget  
Attachment B: Changes in E&G Funding

**Prepared by:** Tracy Clark, Associate Provost for Budget, Planning, and Administration  
and Associate Vice President for Finance

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

## Attachment A

# University of Central Florida

## 2017-18 Proposed Operating Budget

	<b>2017-18 Revised Budget</b>	<i>Preliminary</i> <b>2017-18 Approved Budget</b>	<b>2016-17 Operating Budget</b>	<b>% Increase (Decrease)</b>	<b>\$ Increase (Decrease)</b>
<b>Educational &amp; General (E&amp;G) <sup>1</sup></b>					
General Revenue	\$ 348,975,307	\$ 352,774,365	\$ 334,391,519	4%	\$ 14,583,788
Student Tuition and Fees	288,814,929	288,814,929	270,952,196	7%	17,862,733
<b>Total Educational and General</b>	<b>637,790,236</b>	<b>641,589,294</b>	<b>605,343,715</b>	<b>5%</b>	<b>32,446,521</b>
<b>Medical School (E&amp;G)</b>					
General Revenue	26,495,175	26,495,175	26,140,566	1%	354,609
Student Tuition and Fees	15,718,052	15,718,052	15,654,240	0%	63,812
<b>Total Educational and General</b>	<b>42,213,227</b>	<b>42,213,227</b>	<b>41,794,806</b>	<b>1%</b>	<b>418,421</b>
<b>Auxiliary Enterprises</b>	<b>275,887,508</b>	<b>275,887,508</b>	<b>251,990,997</b>	<b>9%</b>	<b>23,896,511</b>
<b>Sponsored Research</b>	<b>163,703,000</b>	<b>163,703,000</b>	<b>160,694,000</b>	<b>2%</b>	<b>3,009,000</b>
<b>Student Financial Aid</b>	<b>515,975,644</b>	<b>515,975,644</b>	<b>513,219,163</b>	<b>1%</b>	<b>2,756,481</b>
<b>Student Activities</b>	<b>28,217,277</b>	<b>28,217,277</b>	<b>23,750,000</b>	<b>19%</b>	<b>4,467,277</b>
<b>Technology Fee</b>	<b>9,100,000</b>	<b>9,100,000</b>	<b>9,100,000</b>	<b>0%</b>	<b>-</b>
<b>Concessions</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>0%</b>	<b>-</b>
<b>Total Operating Budget</b>	<b>\$ 1,673,636,892</b>	<b>\$ 1,677,435,950</b>	<b>\$ 1,606,642,681</b>	<b>4%</b>	<b>\$ 66,994,211</b>

<sup>1</sup> See Attachment B for detail of the change in budget.

Attachment B

# University of Central Florida

## Changes in E&G Funding

<b>Changes in University E&amp;G Funding</b>	<b>State Appropriations</b>	<b>Tuition and Fees</b>	<b>Total</b>
<b>2017-18 approved preliminary budget</b>	<b>\$ 352,774,365</b>	<b>\$ 288,814,929</b>	<b>\$ 641,589,294</b>
Performance Funding - net effect of state investment	(3,608,951)		(3,608,951)
Emerging Preeminent University	8,666,667		8,666,667
<b><i>Unique University issues:</i></b>			
<b><i>Recurring allocations:</i></b>			
Dr. Phillips Center for Performing Arts	(3,900,299)		(3,900,299)
Center for Reading - Istation	(3,500,000)		(3,500,000)
Lou Frey Institute - Support for Civics Education	(400,000)		(400,000)
Downtown Presence	(306,475)		(306,475)
<b><i>Non-recurring allocations:</i></b>			
Incubator	(750,000)		(750,000)
<b>2017-18 Revised budget</b>	<b>\$ 348,975,307</b>	<b>\$ 288,814,929</b>	<b>\$ 637,790,236</b>

**ITEM: FFC-2**

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

**SUBJECT:** Refinancing of UCF Finance Corporation Series 2007 Bonds

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

The UCF Finance Corporation requests approval to refinance the outstanding Series 2007 bonds.

**BACKGROUND INFORMATION**

Through refunding the bonds, the corporation seeks to fix the interest rate for seven or more years with an interest-rate reset and secure the debt through a loan rather than bonds backed by a line of credit. Based on current low bank interest rates for a 20-year loan with an interest-rate reset after seven years, it is anticipated the proposed refinancing will provide significant debt service savings over the initial interest-rate period and the life of the financing. In addition, under a bank refinancing, the corporation will eliminate the risks associated with variable-rate bonds and interest-rate swaps and eliminate additional costs that were associated with the Series 2007 Bonds including bond re-marketing, bank trustee, surveillance rating, and swap fees.

The Series 2007 Bonds are currently outstanding with the aggregate principal amount of \$49,825,000 have a maturity date of July 1, 2037, and were issued as variable-rate bonds.

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**Supporting documentation:** Attachment A: Draft Board of Trustees Resolution  
Attachment B: Sources and Uses  
Attachment C: Estimated Debt Service  
Attachment D: Description of Security  
Attachment E: Five Year Historical and Forecasted  
Revenues  
Attachment F: Negotiate Sale Explanation

**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

Attachment A

## Board of Governors - Debt Management Guidelines

**DRAFT**

*University of Central Florida*

**5/16/17**

1. A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the "BOT") approving the debt issuance and authorizing the university to request BOG approval of the debt issuance. *For debt to be issued by DBF, at the request of the university, DBF staff will work with BOG staff and the university to determine a not to exceed amount of debt to be included in the BOT requesting resolution to the BOG and in preparing required debt service and source and use schedules.*

The model resolution will be completed and submitted with the final submission.

**Board of Governors - Debt Management Guidelines***University of Central Florida***DRAFT****5/16/17**

## Board of Trustees Resolution

**A RESOLUTION AUTHORIZING THE REFINANCING OF OUTSTANDING CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2007 AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE ISSUANCE OF SUCH DEBT.**

**BE IT RESOLVED BY THE BOARD OF TRUSTEES:**

**Section 1.** The Board of Trustees (the Board of Trustees) of the University of Central Florida (the "University") hereby

authorizes the refinancing of debt by the UCF Finance Corporation and requests the Florida Board of Governors (the "Board of Governors") to approve the issuance of debt in an amount not exceeding \$64,000,000 [(the "Debt")] for the purpose of refinancing the DSO's outstanding Capital Improvement Revenue Bonds, Series 2007 (the Refunded Bonds) the proceeds of which were used to finance the construction of the Burnett Biomedical Sciences Building (the "Project") on the UCF Health Sciences Campus at Lake Nona.

**Section 2.** The Project consisted of an approximately 198,000 square foot facility containing classrooms, laboratories and office space. The Project is an educational and research facility for the College of Medicine and the Burnett College of Biomedical Sciences. Construction of the Project was completed in 2009. Proceeds of the Refunded Bonds together with \$22 million of PECO funds and \$20 million in capital gifts and State matching funds were sufficient to complete the construction of the Project. Legislative approval of the Project [has been obtained pursuant to section 1010.62, Florida Statutes. No proceeds of the will be used to finance operating expenses of the University or the DSO.

**Section 3.** The Debt is to be secured the University's indirect cost revenues received by the University from Federal, State and private grants. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

**Section 4.** The Debt matures on July 1, 2037 which is the same maturity date as the Refunded Bonds. The Project has an estimated remaining useful life of 42 years, which is beyond the maturity of the Debt. The Refunded Bonds currently bears interest at a variable interest rate and is secured by a letter of credit issued by Fifth Third Bank. The DSO previously entered into an interest rate hedge with Fifth Third Bank which will be terminated as part of the refinancing of the Refunded Bonds. Proceeds of the Debt will be used to refinance the principal amount of the Refunded Bonds and finance the swap termination fee. The Debt will be issued as a direct private placement with a bank or other financial institution and will bear interest at a fixed rate for approximately ten years from the date of issuance.



Attachment A

**Board of Governors - Debt Management Guidelines****DRAFT***University of Central Florida***5/16/17**

**Section 5.** The Debt will be issued as fixed rate debt for a period of seven or more years at which time the interest rate will be subject to adjustment for the balance of the term of the Bonds. The DSO and the University have the requisite technical expertise to properly manage the interest rate risks and execution of the Debt through its financial advisor staff, including the Financial Manager of the University Administration and Finance who will be responsible for monitoring the interest rates paid on the Debt at the time of reset in the future.

**Section 6.** The Debt will be sold through a negotiated sale in a direct private placement with a bank or other financial institution. A negotiated sale is necessary due to the market for bank loans. An analysis showing that a negotiated sale is desirable is attached in Appendix A. Any selection of the lender will be accomplished through a competitive selection process.

**Section 7.** The Board of Trustees will comply, and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Debt.

**Section 8.** The President and other authorized representatives of the University the Board of Trustees, and the DSO 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, in connection with the execution, sale and delivery of the Debt.

**Section 9.** In making the determination to refinance the Bonds, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the Debt Management Guidelines, the university's debt management policy, and applicable law.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_, 20\_\_.

\_\_\_\_\_  
Secretary

Attachment A

## Board of Governors - Debt Management Guidelines

**DRAFT**

*University of Central Florida*

**5/16/17**

### Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. sources and uses of funds for the refunding;
- b. an estimated debt service schedule;
- c. a description of the security supporting repayment and the lien position the debt will have on that security;
- d. a five-year history and a five-year projection of the pledged revenues and the debt service coverage
- e. a negotiated sale analysis.

Attachment B

Appendix A(a)  
Sources and Uses

Sources and Uses of Funds  
UCF Financing Corporation  
Series 2017 Note  
Refunded Bonds: Series 2007 (BMA Swap)  
Preliminary/ Subject to Change

Refinancing Bank Loan 2.55% (7 Year Put) - Terminate SWAP

Dated Date 7/1/2017  
Delivery  
Date 7/1/2017

Sources:

Bond Proceeds:

Par Amount	62,961,000.00
	62,961,000.00

Uses:

Refunding Escrow Deposits:

Cash Deposit	49,825,000.00
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Delivery Date Expenses:

Cost of Issuance	141,922.00
Swap Termination (5/23/17)	12,993,995.29
	13,135,917.29

Other Uses of Funds:

Additional Proceeds	82.71
	62,961,000.00

## Attachment C

## Debt Service

UCF Financing Corporation

Capital Improvement Refunding Revenue Bonds, Series 2017

Refunded Bonds: Series 2007 (BMA Swap)

Preliminary/ Subject to Change

Appendix A(b)

Estimated Debt Service Schedule

Date	Refunding Debt 2.55% 20 yr	Coupon	Refunding Debt 2.55% 7 yr, 4.55% 13 yr	Coupon
7/1/2018	4,057,505.50	2.550%	4,057,505.50	2.550%
7/1/2019	4,057,979.50	2.550%	4,057,979.50	2.550%
7/1/2020	4,057,847.00	2.550%	4,057,847.00	2.550%
7/1/2021	4,058,082.50	2.550%	4,058,082.50	2.550%
7/1/2022	4,057,635.00	2.550%	4,057,635.00	2.550%
7/1/2023	4,057,479.00	2.550%	4,057,479.00	2.550%
7/1/2024	4,057,563.50	2.550%	4,057,563.50	2.550%
7/1/2025	4,057,837.50	2.550%	4,946,337.50	4.550%
7/1/2026	4,058,250.00	2.550%	4,888,250.00	4.550%
7/1/2027	4,057,750.00	2.550%	4,827,750.00	4.550%
7/1/2028	4,058,312.00	2.550%	4,766,792.00	4.550%
7/1/2029	4,057,859.50	2.550%	4,703,239.50	4.550%
7/1/2030	4,057,367.00	2.550%	4,638,047.00	4.550%
7/1/2031	4,057,783.50	2.550%	4,572,123.50	4.550%
7/1/2032	4,058,032.50	2.550%	4,504,332.50	4.550%
7/1/2033	4,058,063.00	2.550%	4,434,583.00	4.550%
7/1/2034	4,057,824.00	2.550%	4,362,784.00	4.550%
7/1/2035	4,058,264.50	2.550%	4,289,844.50	4.550%
7/1/2036	4,058,308.00	2.550%	4,214,628.00	4.550%
7/1/2037	4,057,903.50	2.550%	4,137,043.50	4.550%
	81,157,647.00		87,689,847.00	

## Attachment D

**Description of Security**

A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described, and a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must be provided.

The debt is secured by a covenant to annually budget and appropriate from legally available indirect overhead funds received by the University from Contract and Grant Funds

The debt will not be issued on a junior lien basis. This is the first-time the University has used Contract and Grant funds as a security pledge for their debt.

Legal authority for the source of revenues securing repayment of the bonds is - Florida Statute Section 1010.62(3)(a).

In part Section 1010.62(3)(a) states: A state university or direct-support organization may not issue debt without the approval of the Board of Governors. The Board of Governors may approve the issuance of debt by a state university or a direct-support organization only when such debt is used to finance or refinance capital outlay projects. The debt may be secured by or payable only from those revenues authorized for such purpose, including the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services. Revenues derived from the activity and service fee and the athletic fee may be used to pay and secure debt except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to incurring the debt.

Because Indirect overhead cost reimbursements are derived from “research or research-related activities”, they are an appropriate source for repayment of the debt.

## Attachment E

**UCF Finance Corporation**  
**Burnett Biomedical Research Facility**  
**Historical and Projected Debt Service Coverage**

	Historical Summary					Five-Year Projections				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Principal	1,130,000	1,175,000	1,240,000	1,295,000	1,355,000	1,415,000	2,452,000	2,515,000	2,579,000	2,645,000
Interest	2,639,805	2,527,709	2,492,373	2,430,951	2,359,391	2,365,468	1,605,506	1,542,980	1,478,847	1,413,083
<b>Total Debt Service</b>	<b>3,769,805</b>	<b>3,702,709</b>	<b>3,732,373</b>	<b>3,725,951</b>	<b>3,714,391</b>	<b>3,780,468</b>	<b>4,057,506</b>	<b>4,057,980</b>	<b>4,057,847</b>	<b>4,058,083</b>
Overhead Revenue	20,144,381	19,267,600	17,765,419	17,955,527	18,235,494	18,600,000	19,530,000	20,510,000	21,540,000	22,620,000
<b>Pledged Revenues</b>	<b>20,144,381</b>	<b>19,267,600</b>	<b>17,765,419</b>	<b>17,955,527</b>	<b>18,235,494</b>	<b>18,600,000</b>	<b>19,530,000</b>	<b>20,510,000</b>	<b>21,540,000</b>	<b>22,620,000</b>
<b>Coverage Ratio</b>	5.34	5.20	4.76	4.82	4.91	4.92	4.81	5.05	5.31	5.57
Required Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

Attachment F

**Negotiated Sale Explanation**

If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of the BOG Debt Management Guidelines.

The following are the reasons that favor a negotiated sale over a competitive Sale. Pursuant Board of Governors' analysis of:

The financing is being structured as a bank loan / private placement under a competitive bid process. The University will solicit bids from qualified financial institutions to provide for bank financing. The ITN will seek interest rates for both a 7 and 10 year with the ability for the bank to put or reset the rate after the initial interest rate period.

A bank loan structure was chosen because of the following reasons.

- 1) Under a bond issue a fully funded cash reserve equal to the maximum annual debt service of approximately \$4.8 million would need to be funded resulting in higher debt service and negative savings.
- 2) There is no guarantee that the bonds would receive an underlying rating of A- or A3 from either Standard and Poor's or Moody's.
- 3) Additional restrictive covenants might be required.

**ITEM: FFC-3**

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

**SUBJECT:** 2017-18 Direct Support Organizations' Budgets

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

Approval of the 2017-18 operating budget for the UCF Athletics Association DSO.

**BACKGROUND INFORMATION**

The Florida Board of Governors requires the local boards of trustees for the state universities to approve the operating budgets of the universities' DSOs.

The UCF Athletics Association has approved the attached budget.

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**Supporting documentation:** Attachment A: UCF Athletics Association Budget

**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



Attachment A

**UCF Athletics Association  
Annual Budget  
2017-18**

	<b>2017-18 Proposed Budget</b>	<b>2016-17 Approved Budget</b>	<b>Variance</b>		<b>2016-17 Projected Actual</b>	<b>2016-17 Approved Budget</b>	<b>Variance</b>	
<b>Revenues</b>								
Athletic events	\$ 15,292,060	\$ 16,785,420	\$ (1,493,360)	(8.9)%	\$ 15,307,364	\$ 16,785,420	\$ (1,478,056)	(8.8)%
Contributions	4,191,734	2,599,488	1,592,246	61.3 %	3,295,835	2,599,488	696,347	26.8 %
University sources	28,195,872	27,542,469	653,403	2.4 %	28,291,396	27,542,469	748,927	2.7 %
Other	742,722	1,144,737	(402,015)	(35.1)%	583,201	1,144,737	(561,536)	(49.1)%
<b>Total revenues</b>	<b>48,422,388</b>	<b>48,072,114</b>	<b>350,274</b>	<b>0.7 %</b>	<b>47,477,796</b>	<b>48,072,114</b>	<b>(594,318)</b>	<b>(1.2)%</b>
<b>Expenses</b>								
Scholarships	9,010,216	9,052,386	42,170	0.5 %	9,589,386	9,052,386	(537,000)	(5.9)%
Employee compensation	19,603,130	19,612,369	9,239	0.0 %	19,497,332	19,612,369	115,037	0.6 %
Sport operations	8,857,405	8,162,259	(695,146)	(8.5)%	7,662,370	8,162,259	499,889	6.1 %
Support operations	8,883,364	8,160,745	(722,619)	(8.9)%	8,627,155	8,160,745	(466,410)	(5.7)%
Other	1,359,641	1,678,344	318,703	19.0 %	2,736,180	1,678,344	(1,057,836)	(63.0)%
<b>Total operating expenses</b>	<b>47,713,756</b>	<b>46,666,103</b>	<b>(1,047,653)</b>	<b>(2.2)%</b>	<b>48,112,423</b>	<b>46,666,103</b>	<b>(1,446,320)</b>	<b>(3.1)%</b>
<b>Net Increase (decrease) from total operations</b>	<b>\$ 708,632</b>	<b>\$ 1,406,011</b>	<b>\$ (697,379)</b>	<b>(49.6)%</b>	<b>\$ (634,627)</b>	<b>\$ 1,406,011</b>	<b>\$ (2,040,638)</b>	<b>(145.1)%</b>
<b>Debt Service</b>								
Principal	\$ 418,337				\$ 774,425			
Interest	244,061				149,513			
<b>Total Debt Service</b>	<b>\$ 662,398</b>				<b>\$ 923,937</b>			

**ITEM: FFC-4**

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

**SUBJECT:** Campus Concessions Food Services Management Agreement

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

Approve a 10-year negotiated agreement to provide concessions at Spectrum Stadium, CFE Arena, and other UCF Athletics venues.

**BACKGROUND INFORMATION**

The current concessions food service contract is expiring in August 2017. The university published an Invitation to Negotiate, which closed on May 3, 2017. The proposed 10-year contract has been negotiated with the evaluation committee after extensive review of all proposals. This contract represents significant capital dollars to improve concession spaces in both Spectrum Stadium and CFE Arena while also offering substantial revenue sharing through commissions.

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**Supporting documentation:** None

**Prepared by:** Rick Falco, Director, Student Union

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

**ITEM: FFC-5**

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

**SUBJECT:** Amendment to Sublease Agreement between UCF and Pegasus Hotel  
LLC

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the attached amendment to the sublease agreement with Pegasus Hotel LLC for an on-campus hotel and conference center.

**BACKGROUND INFORMATION**

The original sublease agreement was approved by the Board of Trustees at the November, 29, 2015, board meeting. In order to obtain financing, the developer has asked to increase the size of the hotel from 135 rooms to approximately 179 rooms. This amendment will 1) extend the date by which construction must commence from June 22, 2017, to September 29, 2017; 2) expand the leased property by .6 acres for additional parking; and 3) increase the annual base ground rent from \$200,000 to \$265,200.

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**Supporting documentation:** Attachment A: Contract Amendment

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

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

## Attachment A

**FIRST AMENDMENT TO SUBLEASE AGREEMENT**

This **FIRST AMENDMENT TO SUBLEASE AGREEMENT** (“**First Amendment**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017, between the **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES** (“**Landlord**” or “**University**”), and **PEGASUS HOTEL LLC**, a Delaware limited liability company (“**Tenant**”).

**WHEREAS**, Landlord and Tenant are parties to a Sublease Agreement (the “**Sublease Agreement**”) having an effective date on or about June 22, 2016 (the “**Effective Date**”), pursuant to which Landlord leased to Tenant a portion of the University of Central Florida campus (the “**Campus**”) for the purpose of Tenant constructing and operating on the Campus a Hotel/Conference Center; and

**WHEREAS**, Landlord and Tenant have agreed to modify the Sublease Agreement as set forth in this First Amendment, to provide for an extension of the time within which the Hotel/Conference Center construction must begin, to modify the legal description to accommodate parking for a slightly larger Hotel/Conference Center, and to increase the Base Rent to reflect the increased size and area of the Hotel/Conference Center.

**NOW THEREFORE**, in consideration and mutual covenants herein set forth, and other good and valuable consideration, the parties agree as follows:

1. Recitals; Defined Terms. The above recitals are incorporated into this First Amendment by reference, and the parties agree that the defined terms set forth in the Sublease Agreement shall have the same meaning in this First Amendment unless otherwise required hereby.

2. Commencement of Construction. The provisions of Section 4.1.1 and of 4.6 of the Sublease Agreement which require commencement of construction of the Hotel/Conference Center, subject to Force Majeure, by one (1) year after the Effective Date are hereby modified to require commencement of construction no later than Friday, September 29, 2017, subject to Force Majeure and to any written Landlord approval for further extension in Landlord’s sole discretion.

3. Minimum Requirements for Hotel/Conference Center. Section 4.4 of the Sublease Agreement is amended to read as follows:

The Hotel/Conference Center shall contain a minimum of 95,000 square feet and a maximum of 125,000 square feet under roof and will provide a minimum of 135 guest rooms; Kitchen and dining facilities to support the guest rooms and conference facilities; bar and lounge facilities; a minimum of 4 conference rooms accommodating a minimum of 10 people each; a 5000 square foot ballroom, divisible into 4 sections and capable of accommodating a minimum of 700 persons standing, and a minimum of 180 surface parking spaces and a maximum of 225 parking spaces for guests and employees.

4. Legal Description; Landscape Easement. The legal description of the “Property” which is referenced in Section 1.1 of the Sublease Agreement and described on the first page of Exhibit “A” is hereby modified and amended to read as set forth on the **Exhibit “A”** attached to this First Amendment. The Landscaping Easement that is shown on the Exhibit A-1 site plan attached to the Sublease Agreement is extended northerly along the east and west boundaries of the Property to include the areas between the modified legal description of the Property and the adjacent rights of way.

5. Base Rent Increase. The annual Base Rent amount of \$200,000 that is applicable after the first two years of the Sublease Term, as set forth in Section 3.1 of the Lease, is hereby increased to \$265,200.00.

6. Miscellaneous. Except as herein modified and amended, the Sublease Agreement shall remain in full force and effect in accordance with its terms. If and to the extent that the Sublease Agreement may be deemed to have “automatically terminated” pursuant to Section 4.6 of the Sublease Agreement, the Sublease Agreement is hereby reinstated ab initio and any such termination shall be null and void and of no further force and effect. The provisions, terms, or conditions of this First Amendment shall not be construed as a consent of the State of Florida to be sued and no such consent is granted except as provided by Florida Statutes or case law. The Sublease Agreement shall be governed by Florida law, and shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

**IN WITNESS WHEREOF,** Landlord and Tenant have hereunto set their hands and seals as of the day and year first above written.

**UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES**

By: \_\_\_\_\_  
John C. Hitt  
President

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name

Approved as to form and legality:

\_\_\_\_\_  
Office of the General Counsel  
University of Central Florida

**[Attached to First Amendment]**

**PEGASUS HOTEL LLC**, a Delaware limited liability company

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name

By: \_\_\_\_\_  
Dennis Biggs  
President

**EXHIBIT "A"**  
**LEGAL DESCRIPTION OF THE PROPERTY**

A portion of Section 3, Township 22 South, Range 31 East, Orange County, Florida, being more particularly described as follows:

Commence at the South Quarter Corner of Section 3, Township 22 South, Range 31 East, Orange County, Florida; thence South 89°30'24" West, a distance of 1195.08 feet along the South line of the Southwest Quarter of said Section 3 to a point on the Easterly Right of Way of State Road 434 per Florida Department of Transportation Right of Way Map section 75037-2501; thence the following Four (4) courses and distances along said Easterly Right of Way: North 14°50'32" West, a distance of 65.92 feet; thence North 59°24'26" West, a distance of 60.17 feet to a point on a non-tangent curve concave Westerly, having a radius of 11394.16 feet, a central angle of 00°10'34" and a chord bearing of North 01°18'40" East; thence from a tangent bearing North 01°23'57" East, Northerly 35.02 feet along the arc of said curve to the point of tangency thereof; thence North 01°13'23" East, a distance of 79.61 feet; thence departing said Right of Way South 89°59'13" East, a distance of 23.99 feet to the POINT OF BEGINNING; thence North 01°12'54" East, a distance of 54.20 feet; thence North 01°04'23" West, a distance of 199.25 feet; thence North 01°02'40" East, a distance of 122.77 feet; thence North 00°09'44" East, a distance of 375.75 feet; thence North 00°37'14" East, a distance of 270.62 feet; thence South 88°42'25" East, a distance of 287.70 feet; thence South 28°12'37" West, a distance of 128.74 feet; thence South 11°25'55" West, a distance of 126.73 feet to a point on a non-tangent curve concave Easterly, having a radius of 469.77 feet, a central angle of 09°40'15" and a chord bearing of South 06°04'46" West; thence from a tangent bearing South 10°54'54" West, Southerly 79.29 feet along the arc of said curve; thence South 01°14'30" West, a distance of 92.77 feet to a point on a non-tangent curve concave Easterly, having a radius of 468.33 feet, a central angle of 08°01'18" and a chord bearing of South 02°46'10" East; thence from a tangent bearing South 01°14'29" West, Southerly 65.57 feet along the arc of said curve; thence South 29°58'36" East, a distance of 372.45 feet; thence South 44°25'26" West, a distance of 166.65 feet; thence North 87°43'34" West, a distance of 6.70 feet; thence South 44°25'26" West, a distance of 140.10 feet; thence North 89°59'13" West, a distance of 162.75 feet to the POINT OF BEGINNING.

Containing 5.92 acres, more or less.

**ITEM: FFC-6**

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

**SUBJECT:** Financing of Solar Farm

**DATE:** July 20, 2017

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**PROPOSED COMMITTEE ACTION**

The UCF Finance Corporation requests approval to finance an amount not to exceed \$14,700,000 for the construction of a solar farm.

**BACKGROUND INFORMATION**

The University of Central Florida publicly committed to reducing its impact on the environment in 2007 by agreeing to become climate neutral by 2050. The UCF Climate Action Plan contains an interim goal to satisfy at least 15 percent of campus energy demand from onsite renewables by 2020. This project would meet and surpass this goal while reducing the cost of operations for the university.

The 40-to-50-acre site, located in the southeast corner of the main campus, is to be developed into a solar farm capable of producing 10 to 12 megawatts of clean renewable energy. The project is expected to produce in excess of 22 million kilowatt hours of energy annually, which would result in approximately \$2.1 million of energy savings each year based on current energy prices.

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**Supporting documentation:** Attachment A: Draft Board of Trustees Resolution  
Attachment B: Sources and Uses  
Attachment C: Estimated Debt Service  
Attachment D: Description of Security  
Attachment E: Five-year Historical and Forecasted Revenues  
Attachment F: Negotiate Sale Explanation  
Attachment G: Proposed 50-Acre Solar Farm Report

**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



Attachment A

## Board of Governors - Debt Management Guidelines

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*University of Central Florida*

1. A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the "BOT") approving the debt issuance and authorizing the university to request BOG approval of the debt issuance. *For debt to be issued by DBF, at the request of the university, DBF staff will work with BOG staff and the university to determine a not to exceed amount of debt to be included in the BOT requesting resolution to the BOG and in preparing required debt service and source and use schedules.*

## Board of Governors - Debt Management Guidelines

*University of Central Florida*

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**A RESOLUTION AUTHORIZING THE FINANCING OF A RENEWABLE POWER PROJECT AND REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE FINANCING OF SUCH PROJECT, PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL FLORIDA:**

**Section 1.** The Board of Directors (the "Board of Directors") of the UCF Financing Corporation (the "DSO") established by the Board of Trustees (the "Board") of the University of Central Florida (the "University") hereby authorizes the financing of a renewable energy project and requests the Board of Trustees of the University to approve the issuance of revenue bonds or notes in an amount not exceeding \$14,700,000 (the "Debt") for the purpose of financing the construction of a 10-12 megawatt (MW) solar powered electric generation (the "Project") on the UCF main campus.

**Section 2.** The Project consists of a single axis solar array capable of producing 10-12 MW of electrical power to be located on a site containing approximately 40 acres. The Project will generate approximately 18% of the electrical power needed for the University at cost savings when compared to the cost of power from the University's current third party provider. Legislative approval of the Project was obtained pursuant to section 1010.62; Florida Statutes. No proceeds of the Debt will be used to finance operating expenses of the University or the DSO.

**Section 3.** The Debt will be secured by payments from the University pursuant to a power purchase agreement between the DSO and the University. The power will be used to provide the power for the University auxiliary enterprises including housing, parking, and dining. The University will use the revenues from the auxiliary enterprises to repay the Debt. The DSO is legally authorized to secure the Bonds with the revenues to be pledged pursuant to section, 1010.62, Florida Statutes.

**Section 4.** The Debt matures on October 1, 2032. The Project has an estimated useful life of 25 years, which is beyond the maturity of the Debt. Proceeds of the Debt will be used to finance the cost of the Project and pay the costs of issuing the Debt. The Debt will be issued either as public offered bond issue or as a direct private placement with a bank or other financial institution and will bear interest at a fixed rate for the term of the Debt.

**Section 5.** The Debt will be issued as fixed rate debt for a period of fifteen years.

**Section 6.** The Debt will be sold through a negotiated sale in either a public offered bond issue or a direct private placement with a bank or other financial institution. A negotiated sale is necessary due to the unique nature of the market for bank loans. An analysis showing that a negotiated

## Board of Governors - Debt Management Guidelines

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*University of Central Florida*

sale is desirable is attached in Appendix A. Any selection of the underwriter or lender will be accomplished through a competitive selection process.

**Section 7.** The Board of Directors will comply, and will require the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Debt.

**Section 8.** The DSO will comply with the Debt Management Guidelines of the University.

**Section 9.** The President and the Executive Director and other members of the Board of Directors and the DSO 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, in connection with the execution, sale and delivery of the Debt.

**Section 10.** In making the determination to finance the Project, the Board of Directors has reviewed the information attached to Appendix.

**Section 11.** This Resolution shall take effect immediately upon its adoption.

Adopted this \_\_\_\_\_ day of July, 2017.

\_\_\_\_\_  
Secretary

## Board of Governors - Debt Management Guidelines

*University of Central Florida*

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### Appendix A

The following documents have been reviewed by the Board of Trustees prior to the execution of this Resolution:

- a. sources and uses of funds for the Project;
- b. an estimated debt service schedule;
- c. a description of the security supporting repayment and the lien position the debt will have on that security;
- d. a five year history and a five year projection of the pledged revenues and the debt service coverage
- e. a negotiated sale analysis.

## Attachment B

Sources and Uses of Funds  
University of Central Florida  
Solar Field Proposed Financing  
Preliminary/ Subject to Change

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Bank Loan @ 3.00%

Dated Date 11/15/2017  
Delivery  
Date 11/15/2017

Sources:

Bond Proceeds:

Par Amount	14,641,000.00
	14,641,000.00

Uses:

Project Fund Deposits:

Project Fund 14,200,000.00

Other Fund Deposits:

Capitalized Interest Fund (10/1/18) 385,546.33

Cost of Issuance:

Bond Counsel	20,000.00
Financial Advisor	20,000.00
Bank Counsel	10,000.00
Miscellaneous	5,000.00
	55,000.00

Other Uses of Funds:

Additional Proceeds	453.67
	14,641,000.00

## Attachment C

Bond Debt Service  
University of Central Florida  
Solar Field Proposed Financing  
Preliminary/ Subject to Change

Bank Loan @ 3.00%					
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
4/1/2018			165,931.33	165,931.33	165,931.33
10/1/2018			219,615.00	219,615.00	
4/1/2019			219,615.00	219,615.00	439,230.00
10/1/2019	444,000	3.000%	219,615.00	663,615.00	
4/1/2020	450,000	3.000%	212,955.00	662,955.00	1,326,570.00
10/1/2020	457,000	3.000%	206,205.00	663,205.00	
4/1/2021	464,000	3.000%	199,350.00	663,350.00	1,326,555.00
10/1/2021	471,000	3.000%	192,390.00	663,390.00	
4/1/2022	478,000	3.000%	185,325.00	663,325.00	1,326,715.00
10/1/2022	485,000	3.000%	178,155.00	663,155.00	
4/1/2023	493,000	3.000%	170,880.00	663,880.00	1,327,035.00
10/1/2023	500,000	3.000%	163,485.00	663,485.00	
4/1/2024	507,000	3.000%	155,985.00	662,985.00	1,326,470.00
10/1/2024	515,000	3.000%	148,380.00	663,380.00	
4/1/2025	523,000	3.000%	140,655.00	663,655.00	1,327,035.00
10/1/2025	531,000	3.000%	132,810.00	663,810.00	
4/1/2026	539,000	3.000%	124,845.00	663,845.00	1,327,655.00
10/1/2026	547,000	3.000%	116,760.00	663,760.00	
4/1/2027	555,000	3.000%	108,555.00	663,555.00	1,327,315.00
10/1/2027	563,000	3.000%	100,230.00	663,230.00	
4/1/2028	572,000	3.000%	91,785.00	663,785.00	1,327,015.00
10/1/2028	580,000	3.000%	83,205.00	663,205.00	
4/1/2029	589,000	3.000%	74,505.00	663,505.00	1,326,710.00
10/1/2029	598,000	3.000%	65,670.00	663,670.00	
4/1/2030	607,000	3.000%	56,700.00	663,700.00	1,327,370.00
10/1/2030	616,000	3.000%	47,595.00	663,595.00	
4/1/2031	625,000	3.000%	38,355.00	663,355.00	1,326,950.00
10/1/2031	634,000	3.000%	28,980.00	662,980.00	
4/1/2032	644,000	3.000%	19,470.00	663,470.00	1,326,450.00
10/1/2032	654,000	3.000%	9,810.00	663,810.00	
4/1/2033					663,810.00
	14,641,000		3,877,816.33	18,518,816.33	18,518,816.33

Attachment D

**Description of Security**

A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described, and a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must be provided.

The debt is secured by a covenant to annually budget and appropriate from legally available auxiliary and DSO funds received by the Corporation for the payment of utilities.

The debt will not be issued on a junior lien basis.

Legal authority for the source of revenues securing repayment of the bonds is - Florida Statute Section 1010.62(3)(a).

In part Section 1010.62(3)(a) states: A state university or direct-support organization may not issue debt without the approval of the Board of Governors. The Board of Governors may approve the issuance of debt by a state university or a direct-support organization only when such debt is used to finance or refinance capital outlay projects. The debt may be secured by or payable only from those revenues authorized for such purpose, including the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services. Revenues derived from the activity and service fee and the athletic fee may be used to pay and secure debt except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to incurring the debt.

UCF Finance Corporation  
UCF Solar Farm  
Historical and Projected Revenues

	Historical Summary					Five-year Projections				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Utility Payments</b>										
DSOs	\$ 1,595,693	\$ 1,689,844	\$ 1,572,724	\$ 1,666,487	\$ 1,666,487	\$ 1,666,487	\$ 1,666,487	\$ 1,666,487	\$ 1,666,487	\$ 1,666,487
Auxiliaries	3,374,592	3,642,707	3,358,768	3,545,157	3,545,157	3,545,157	3,545,157	3,545,157	3,545,157	3,545,157
<b>Totals</b>	4,970,285	5,332,551	4,931,493	5,211,644	5,211,644	5,211,644	5,211,644	5,211,644	5,211,644	5,211,644
Purchased Cost for Power	4,970,285	5,332,551	4,931,493	5,211,644	5,211,644	5,211,644	2,679,932	2,701,325	2,722,504	2,743,472
Solar Maintenance Cost							117,390	122,278	127,370	132,676
<b>Total Operating Costs</b>	4,970,285	5,332,551	4,931,493	5,211,644	5,211,644	5,211,644	2,797,322	2,823,603	2,849,874	2,876,148
<b>Net Increase and Decrease</b>	-	-	-	-	-	-	2,414,322	2,388,042	2,361,770	2,335,496
<b>Debt Service</b>	-	-	-	-	-	165,931	439,230	1,326,570	1,326,555	1,326,715
<b>Coverage Ratio</b>	-	-	-	-	-	-	5.50	1.80	1.78	1.76
Required Coverage Ratio	-	-	-	-	-	-	1.20	1.20	1.20	1.20
Internal Rate of Return	15%									

\*Capitalized interest will cover debt service through the construction period and the first six months of operations.



## Attachment F

**Board of Governors - Debt Management Guidelines****DRAFT***University of Central Florida***6/28/17**

16. If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of the BOG Debt Management Guidelines.

The following are the reasons that favor a negotiated sale over a competitive Sale. Pursuant Board of Governors' analysis of:

The financing is being structured as a bank loan / private placement under a competitive bid process. The University will solicit bids from qualified financial institutions to provide for bank financing. The ITN will seek a fixed interest rates for the life of the financing (15 years)

A bank loan structure was chosen because of the following reasons.

- 1) Under a bond issue a fully funded cash reserve equal to the maximum annual debt service of approximately \$1.4 million would need to be funded resulting in higher debt service and negative savings.
- 2) There is no guarantee that the bonds would receive an underlying rating of A+- or A1 from either Standard and Poor's or Moody's.
- 3) Additional restrictive covenants might be required.

Market Conditions	Conditions Favoring a Competitive Sale	Conditions Favoring a Negotiated Sale	Sales Type Favored by Conditions	Explanation
Interest Rates	Stable; Predictable Market	Volatile or Declining	N/A	Seeking a 15 year fixed rate with the ability to prepay prior to maturity.
Supply and Demand	Strong Investor Demand, Good Liquidity, Light Forward Calendar	Oversold Market, Heavy Supply	N/A	



UNIVERSITY OF CENTRAL FLORIDA

# Proposed 50-Acre Solar Farm

*Prepared Exclusively for UCF's Board of Trustees.*

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JULY, 2017 • FACILITIES AND SAFETY

## UCF Solar Farm

The university has been tracking the solar industry for many years, and is currently evaluating constructing a solar photovoltaic (PV) power generation facility of at least 12.9MW DC capacity on a 40-50-acre plot of isolated land on the main campus. The recent and dramatic reduction in the cost of solar modules makes the project economically attractive. Each year of its 25-year life, a 12.9MW project would generate energy savings in excess of \$2.5M, which could be used to offset other university expenses, once the original investment is repaid. Depending on final design, the site could accommodate up to 18MW, making the project even more economically attractive. The project could either be self-funded or funded through a business loan. Another option is leasing, which would not require any university capital or debt, but would result in slightly reduced net economic value. The analysis presented here reflects a worst-case scenario; it does not account for any potential governmental subsidies or tax credits.

### **Distinct Approach to Campus Enterprise Energy Management**

Since Dr. Hitt's climate commitment in February 2007, the university has reduced its main campus energy use by 36.3%, yielding \$25M in avoided energy costs. Today, the university's core objective remains aggressively curbing campus utility costs through high-performance buildings, re-investment of energy savings into capital energy efficiency projects, participation in utility demand-side management incentive programs, use of alternative fuels, incorporating peak demand shifting with thermal energy storage, and building commissioning processes to ensure the building and systems function and operate as designed. Equally important is the university's continued focus on campus resiliency through strengthening its utility infrastructure, influencing behaviors that reduce energy consumption and greenhouse gas emissions, and reducing energy costs through active negotiations and rate tariff management. To date, the university has completed over 53 energy efficiency capital projects, with 20 more to be implemented in the next 20 months. Through these efforts, the university has reduced its electrical cost per square foot by 40% and total energy cost by 21% since 2007, with many of the energy efficiency upgrades returning 7%- 25% on investment.

Today, the university has (19) LEED-certified buildings (13 Gold, 5 Silver, 1 Certified), representing 21% of the campus's total heated and cooled space.

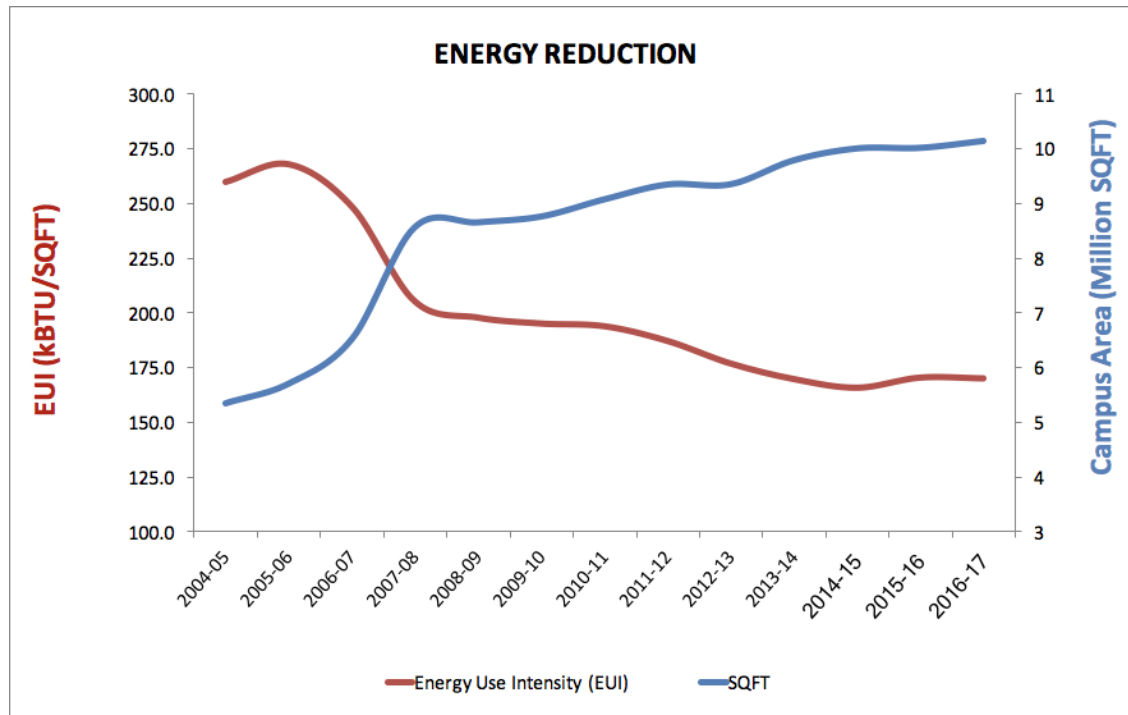
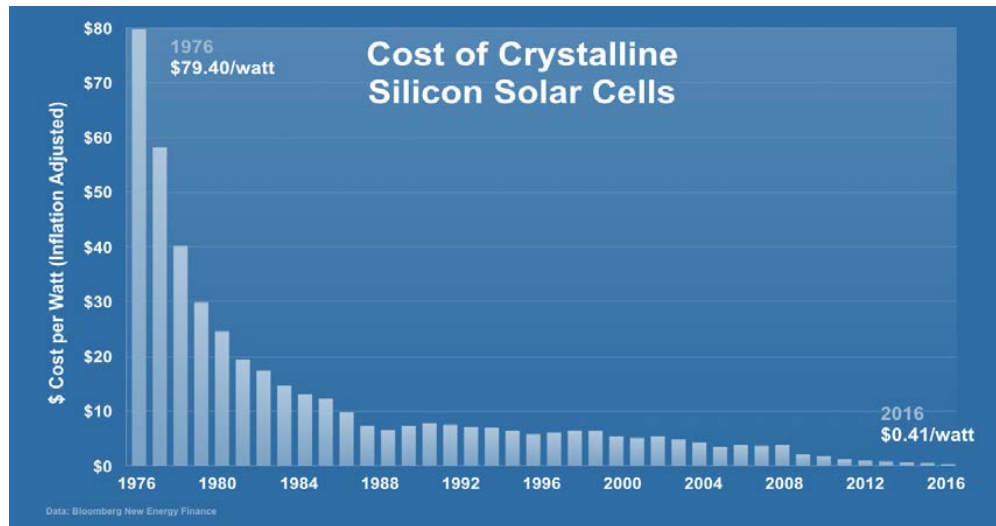


Figure 1: UCF's campus growth is represented in gross square feet by the blue line, and the energy intensity is represented in the red line, showing a 36% reduction in total energy use dating back to UCF's 2006 Baseline

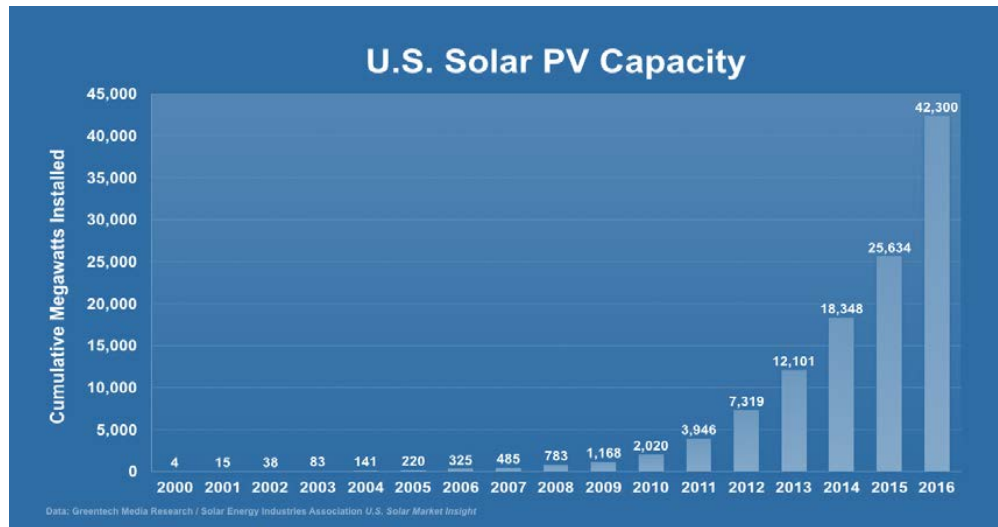
### Cost Effectiveness

Over the past 40 years, the cost of solar PV panels have decreased by over 99 percent. In fact, solar PV prices fell 80 percent between 2009 and 2016. Because of these significant reductions, the cost of solar electricity is increasingly falling within the range, or even spanning a lower range, than fossil fuel-fired electricity generation costs in many parts of the world.



Because of the significant cost reductions, the use of solar power has grown dramatically in recent years in the United States and many other countries around the world. In 2015, for the first time ever, solar ranked as the number one source of new electric-generating capacity added in the US, accounting for 39% of all new capacity added in the country during that year. In 2016, solar added 14,800 MW of capacity in the US, pushing the total installed capacity to 42.4 GW.

Utility companies in Florida are now investing in solar energy due to the low cost. Duke Energy has announced that it is planning to install 750 MW in the next 10 years. Florida Power and Light plans to add 300 MW of solar in Florida in 2017. Orlando Utilities Commission is also adding 13MW of solar capacity in Central Florida.



### Project Background

The university has been deploying small pilot PV projects for more than 15 years. The most recent and largest PV installation on campus was a 107KW system, adjacent to Parking Garage B, which resulted from a partnership between the university and Progress Energy (prior to Progress being absorbed by Duke Energy). The cost of that system was in excess of \$6 per watt, whereas the currently proposed system would only be \$1.10 per watt; a prime example of how the costs of PV modules have reduced dramatically in recent years.

Facilities and Safety, in collaboration with UCF's Department of Electrical and Computer Engineering and the Florida Solar Energy Center, produced economic and performance simulations that confirmed last fall strong project potential, which warranted tentative design and preliminary interconnection discussions with Duke Energy Florida regarding the project. Duke Energy has been receptive and cooperative, offering two vehicles by which UCF can connect its solar generation to the grid: 1) through Federal Energy Regulatory Commission status as a Qualified Facility; and 2) through Florida Public Service Commission regulations as a "net-metered" solar installation. Although both paths have advantages and disadvantages, it seems likely that the project will pursue a Qualified Facility status.

### **Project Selection**

As mentioned above, the university has been tracking and modeling the economic viability of this project, and costs have continued to fall. The current economics, market conditions, and shift in utility paradigm make it an ideal time to pursue this project. Pursuant to Board of Governors' regulations, UCF used a qualifications-based selection procedure to select a company to perform solar analysis and development, with follow-on engineering, procurement and construction. ESA Renewables, LLC, of Sanford, Florida, was the successful proposer. A contract will be issued, pending Board of Trustees approval.

### **Project Economics**

In addition to the positive economics of the present and predictable future, this project provides higher certainty into the long-term future of UCF energy costs. Increases in electricity demand are likely, driven particularly by improvements in energy storage and the resulting electrification of transportation. There is also uncertainty in fossil-fuel powered electric generation stemming from climate concerns and changes in extraction technology. Therefore, utility providers will come under increasing pressure to restructure their business models, resulting in higher rate uncertainty for their customers. Self-generation projects, such as the combined heat and power (CHP) plant and PV project, are an excellent risk control strategy for the university.

The nominal 12.9MW solar farm is estimated to produce more than 24.7M kilowatt hours of renewable energy in its first year of operation, valued at more than \$2,383,000 based on the current Duke Energy rate. Over the life of the project, the solar farm is expected to produce 581,915,000 kWh, valued at \$71,576,750. Details are set forth in Appendix A.

### **Definitions for AROI Calculation**

**Value of energy:** the total accumulated energy produced by the plant over the life of the project, with an annual ½ percentage PV degradation factor, multiplied by the blended energy rate from Duke Energy, computed from recent UCF utility bills.

**Salvage value:** the anticipated value of the assets at the end of the project life, as well as the value of the improvements made to the land. At the end of the project's life, the land will be cleared and graded, with electrical service and access roads in place. (Note the existing onsite threatened species will be relocated prior to construction.)

**Debt service:** all principal and interest payments over the 8-year life of the loan. The length of the loan was chosen to minimize interest charges, while maintaining positive cash flow throughout the life of the project.

**Maintenance costs:** the total anticipated costs to maintain and operate the facility. This includes landscape operations to maintain the turf, maintenance of the security fencing, and troubleshooting and repair of the electrical components required to maintain the plant output. The major components (modules and inverters) will have a 25-year warranty.

**Life of Project:** 25 years. The major components, including all solar modules and inverters, will be purchased with a twenty-five year warranty. However, the power output of PV modules does decrease over time, so a conservative ½ percentage per year degradation factor has been applied. Depending on the efficiency advancements in the solar industry, the modules may be replaced prior to 25 years.

### Return on Investment

The annualized return on investment was calculated to characterize the economic viability of the nominal-sized project. To provide the most accurate analysis, the project was considered over its useful life of 25 years. As proposed, the project would use no university capital. Two means of financing have been explored: a traditional bank loan for an eight (8) year period, and a closed-end commercial lease for a fifteen (15) year period. A traditional eight (8) year bank loan was chosen for this analysis to minimize the interest charges, while maintaining a positive cash flow over the life of the project. The traditional bank loan is also considered to be the more expensive option and, therefore, the worst-case scenario.

$$\text{Annualized return on investment} = \frac{(\text{Value of Energy} + \text{Salvage Value}) - (\text{Debt Service} + \text{Maint. Cost})}{(\text{Debt Service} + \text{Maint. Cost})} / \text{Life of Project}$$

$$\text{Annualized return on investment} = \frac{(71,576,760 + 5,000,000) - (16,376,942 + 1,603,181)}{(16,376,942 + 1,603,181)} / 25 = 13.0\%$$

### Return on Investment, Including Cost of Land

At the Board's request, an additional return on investment calculation including the value of the land is provided below. An appraisal performed in June, 2017 by Cushman and Wakefield shows the market value of the land estimated at \$7,600,000, or \$152,024 per



acre. The hypothetical annual lease rate for a 25-year period is estimated at \$440,200. If the opportunity cost of the hypothetical lease is considered in the economic analysis, the return on investment is reduced accordingly:

$$\text{Annualized return on investment} = \frac{(71,576,760 + 5,000,000) - (16,376,942 + 1,603,181 + 11,005,000)}{(16,376,942 + 1,603,181 + 11,005,000)} \div 25 = 6.6\%$$

### Energy Rate Structures

The following table compares the current Duke Energy rate structure to the nominal proposed solar farm, as well as to the existing main campus CHP and possible second CHP.

	Duke Energy	UCF CHP (5.5MW)	Proposed Solar Farm (12.9MW)	Proposed 2nd UCF CHP (11MW) ****
<b>Investment (per KW)</b>	N/A	\$2,321	\$1,100	\$1,595
<b>Annual Fuel Cost</b>	N/A	\$1.5M	\$0	\$3.6M
<b>Annual O&amp;M</b>	N/A	\$1.0M	\$50K	\$1.3M
<b>Annual Debt Service</b>	N/A	\$1.0M	\$2.0M	\$2.2M
<b>Annual Cost Avoidance</b>	N/A	\$1.5M	\$2.4M	\$3.1M
<b>(Levelized)</b>	*\$0.097	**\$0.052	\$0.039	***\$0.079

<b>Cost per kWh - 25 Years</b>				
<b>AROI</b>	N/A	***5.9%	13.3%	***2.1%
<b>Advantages</b>	Reliability; low risk	Lower energy cost**	Lower energy cost; energy cost fixed over project life; reliability; predictable performance; low maintenance	Lower energy cost**
<b>Disadvantages</b>	High energy cost; rates expected to rise	Savings subject to market gas prices; high complexity; standby charges	Intermittency of power; short-term investment of funds and land	Savings subject to market gas prices; high complexity; standby charges

*Notes to reader:*

\* Subject to Public Service Commission Rate Case Filings and approvals

\*\* Subject to Natural Gas Market Prices

\*\*\* Based on the average actual gas purchased by UCF over the past four years

\*\*\*\* See Appendix C - Excerpt taken from Mitsubishi Heavy Industries (MHI) and Mitsubishi Engine North America (MENA).

### **Economic Summary**

Total Installed Cost	\$14,190,000
Per Unit Cost:	\$1.10/W
Net Present Value:	\$26,027,250
Year 1 Net-to-Grid:	24,703,512 kWh AC
Nominal Levelized Cost of Energy:	3.87 cents/kWh

Payback Period:	5.9 years
AROI:	13.0%

### **Highest and Best Use of Land**

The 40-50 acre plot of land that has been slated for the solar farm is currently covered by flatwood vegetation. The site is vacant, has no access to utilities, and is completely inaccessible to vehicles. It is highly unlikely that the university would need to construct buildings on this plot during the project lifetime. It is even more unlikely that the university would need this plot within the short, eight (8) year payback period.

The University of Central Florida 2015-25 Campus Master Plan Update has identified buildable sites that are projected to meet the university's needs for the foreseeable future. For ease of reference, the identified buildable sites are illustrated in Appendix B. The surface of Parking Lots C and D are master planned to be home to approximately 470,000 gross square feet of buildings, with readily available utility infrastructure. Additionally, there is a 50-acre parcel located southeast of the softball facility that has been reserved for teaching and research space.

In the unlikely event that the university builds out the existing sites during the project life and needs the solar farm site, the solar modules and racking could easily be decommissioned and removed from the site. The site would then be left in an improved condition; cleared and graded, with electrical utilities and access roads. Even without considering the expected appreciation, the land will be more valuable at project end than it is currently.

### **Environmental Impacts**

There are threatened gopher tortoises currently occupying the proposed project site. The university has met with the Florida Fish and Wildlife Conservation Commission to discuss the gopher tortoise permitting process and costs involved in relocation. The cost of removal and relocation has been incorporated into the project's economic analysis.

The project site would also require clearing. The site is currently mostly flatwood, with a mix of pine and oak trees. All trees removed during construction projects will be replaced in other suitable areas on campus, consistent with University policy. However, due to the number of trees that would be removed for this project, the replacement would likely happen over a period of time, perhaps as much as ten years. Details of the tree replacement plan will be worked out during the design phase of the project. Wetland impacts will be avoided by maintaining appropriate setbacks and by installing silt-fence to protect against erosion during construction.

The project will have a perimeter security fence to protect the site and associated equipment. The fencing is planned to be elevated a few inches above the ground to allow small animals, including gopher tortoises, to access and inhabit the site once construction is complete. There is also potential interest within the biology department regarding the submission of research proposals to study the environmental impacts of large-scale solar PV projects.

### **Engagement with Students and Research - a Living Lab**

The solar farm project will directly support the university's academic mission in many ways. It will be a concrete, visual reminder of the importance of energy in our lives, and the obligation of the university to lead the way in sustainability through new technology development and deployment. Engineering and science courses will be able to include actual real-time data in various case study assignments; senior design project teams could develop everything from drone-mounted monitoring to automated maintenance systems; biological science students could be involved in developing an optimum ground cover for this climate and application; and graduate students of many disciplines would have excellent data sets for new analytical techniques in their thesis work.

Research programs will have a unique platform and advantage in making highly competitive proposals. A prime example is our multi-disciplinary Resilient, Intelligent and Sustainable Energy Systems (RISES) Faculty Cluster, which involves the collaboration of five UCF colleges, and includes faculty disciplines in Electrical Engineering, Civil Engineering, Electro Optics, Public Policy and Economics. Examples of RISES Cluster proposals to DOE (now pending award) that will benefit from the solar farm include "Utility-Scale Plug and Play PV" under their Rapid Deployment program, and Solar Forecasting under their Wholesale Utility Markets program.

### **Public Relations**

The university's commitment to Leadership in Energy and Environmental Design (LEED) and sustainability has recently been recognized in the community. UCF's Department of Utilities and Energy Services (UES) was recently recognized as a *Forward Thinking Business*, and was honored by the US Green Building Council's Central Florida Chapter with its "Public Organization - Green Business of the Year Award" in February 2017. UES, along with UCF's Facilities Planning and Construction, was also honored by the US Green Building Counsel for the Global UCF project; which was awarded *LEED for New Construction Most Outstanding Project of the Year*. The two departments were also given the *Sustainable Development Merit Award* in February of 2017 by Orange County. This project would build on the university's reputation for commitment to sustainability.

### **Impact on Other Duke Customers**

The solar farm will have a positive effect on Duke Energy's transmission, distribution, and generation resources. During the cooling season, peak solar conditions coincide nicely with the time of day when the utility companies struggle to meet the peak demands of their customers. The solar farm will lower that demand, allowing Duke Energy to utilize less expensive and cleaner generation assets.

Development of utility rates and the assignment of customer classes is complex and entirely regulated by the Public Service Commission. However several guiding principles apply, including: 1) the intention that one class of customers not subsidize another; and 2) that primary energy costs, in the form of purchased fuel (mostly natural gas, for Duke Energy) be essentially a pass-through, thus the frequent changes in "Fuel Cost Recovery Factor." Also, the fixed and variable costs of energy conversion (from fuel to electricity) and delivery are effectively unbundled.

The university's PV production will not transfer costs to other customers. Duke Energy will not have to build any new facilities, and because of the predictability of solar output, the direct correlation between clouds (lower solar output) and less electric air conditioning load (less generation needed), no generation equipment will have to be maintained in ready "standby mode." Though the university will purchase less energy from Duke, Duke will in turn purchase (at least) proportionately less fuel energy from suppliers. In fact, for several reasons, Duke, and therefore their customers, will enjoy lower incremental costs of generation during peak periods and lower losses in transmission and distribution.

### **Summary**

The university has an amazing opportunity to reduce operating costs, secure its energy future, reduce economic risk, protect our environment, and instruct/inspire our students. The project supports the university's core mission by decreasing operational costs, driving fiscal stewardship, and effectively mitigating risk by achieving partial self-sustainability. The project's location, design and other attributes would provide a live-lab learning platform for many of the engineering and environmental degreed disciplines, making UCF unique in the Florida State University System. The university will lock in over 15% of its current energy supply at a fixed cost for the next 25 years and is expected to save the university over \$53,000,000. Therefore, it is highly recommended that the Board of Trustees approve the solar farm project, based the above benefits, plus the favorable return on investment and positive cash flows throughout its useful life.

## Appendix A

### Solar Farm EXCEL Proforma

Financial Projection - UCF Solar Project																									
Assumptions Data																									
kW Size of System	12,900																								
	Price Per Watt																								
\$1.100																									
Turnkey Price	\$14,190,000																								
Est. System Production Kwh/Kw DC	1,915																								
Est. System KWh Production Yr 1	24,703,500																								
Current Cost of Energy from Utility	\$0.0965																								
Annual System Degradation	0.50%																								
Utility Rate Annual Cost Escalation %	2.00%																								
Operation and Maintenance Cost	\$50,052																								
O&M Escalation %	2.0%																								
Annual O&M Services \$/Watt	\$0.0388																								
Inflation Rate	2.5%																								
Discount Rate	5.0%																								
Accumulated Cash Flow at year 15	\$22,497,330																								
Accumulated Cash Flow at year 25	\$53,596,638																								

## Appendix B

### Future Campus Academic Growth Masterplan



Figure 2: The university has 66.85 acres identified for future academic building growth that have adequate, and readily available utility infrastructure, or have closer accessibility than the proposed solar farm.

## Appendix C

### Excerpt taken from Mitsubishi Heavy Industries (MHI) and Mitsubishi Engine North America (MENA) Proposal

Gas engine CHPs vs Electricity cost		Units : US\$	
		Option1	Option2
		18KU30GSI (5.5MW) x 1unit	18KU30GSI (5.5MW) x 2units
No. of Generator Sets		1	2
Total Gross Output (MW)		5.5	11
Equipment price total		4,812,634	9,618,118
		Same scope of supply 1st 5.5MW project (Generator set, Auxiliaries, SCR+Oxidation Cat.+Silencer, Cooling tower, Chiller, Switch gear, Transformer, DC power supply, UPS)	
Genset&Auxiliaries assemble cost at site		140,000	266,000
Installation cost (*1)	Mechanical installation work	1,800,000	2,880,000
	Electrical works	750,000	1,200,000
	Building and civil works (Foundation work and fuel gas line/water line piping work at site side)	1,950,000	2,925,000
Engineering/design costs for power plant at UCF		280,000	336,000
Costs relating to MENA engineers' technical advisory service during installation		70,400	97,200
Costs relating to MHI/MENA's performance of commissioning works		100,000	190,000
Costs relating to MHI/MENA's warranty engineer at site for 1yr		Free of charge	Free of charge
Maintenance costs for life-time (assuming 12 years life-time)(*3)	Parts costs	3,850,280	7,700,560
	Maintenance labor costs(*2)	1,010,880	2,021,760
	Consumables costs (Lubricant oil, LLC, Filters, Urea)	2,812,739	5,625,478
Fuel costs (Fuel costs of US\$5.56/MMBtu)(*3)		21,550,827	43,101,654
①Total life cost for 12yrs		39,127,760	75,961,770
Exclusions from the above cost		Local Taxes/Duties	
Note		(*1) Based on ballpark by construction company "Clancy & Theys". (*2) Work labor fee per hr is \$100. (*3) This estimation based on annual operation 8000Hrs(91% availability) and load factor 100%	
②Electricity cost from power grid for 12yrs (Electricity cost for industrial US\$131/MWh)		63,634,560	127,269,120
Amount of net electricity generation for 12yrs (MWh)		494,327	988,654
Cost of electricity generation by GasE CHP(US\$/MWh)		79	77
Gas engine CHPs cost saving (=②-①)		24,506,800	51,307,350

Note: Actual UCF utility rate is \$96.5 / MWh, therefore cost avoidance for one unit \$47,702,555 (AROI 1.8%), and two units is \$95,405,110 (AROI).



**ITEM: FFC-7**

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

**SUBJECT:** Baseball Stadium Expansion

**DATE:** July 20, 2017

---

**PROPOSED COMMITTEE ACTION**

The university seeks approval to fund internally up to \$3.6 million in construction costs to expand and renovate the baseball stadium.

**BACKGROUND INFORMATION**

This university project will be managed by the UCF Facilities Planning and Construction department using Skanska as the contractor. The project is scheduled to begin in October 2017 and be completed in February 2018.

---

**Supporting documentation:** Attachment A: Funding Schedule

**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

Attachment A

**UCF Baseball Stadium Funding Schedule  
John Euliano Park**

Committed donations – Six-year payment schedule *	\$2,285,000
Outstanding donation proposals	550,000
Projected club seat sales - Six years	<u>810,000</u>
<b>Total projected funding</b>	<b>3,645,000</b>
 <b>Total construction costs</b>	 <b><u>3,600,000</u></b>
 <b>Difference (shortfall)</b>	 <b><u>\$45,000</u></b>

\* Includes conditional pledge of \$300,000 to cover any shortfall (to be paid in years seven through nine)

**FFC-8**

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

**SUBJECT:** Amendment to the Revised and Restated Development Agreement with Osceola County Including Appendix B Lease Agreement

**DATE:** July 20, 2017

---

**PROPOSED COMMITTEE ACTION**

Approve the amended and restated development agreement and lease for the advanced manufacturing industry center in Osceola County.

**BACKGROUND INFORMATION**

The United States Department of Commerce Economic Development Administration (EDA) has agreed to provide a \$2,222,412 financial assistance award to co-applicants Osceola County, ICAMR, Inc., and the University of Central Florida to be used for the installation of high-purity process piping, electrical systems, fire alarms, isolation tables, and gas line quality control for the cleanroom at the Florida Advanced Manufacturing Research Center. Accordingly, the development agreement and lease are being revised to reflect these terms, including a memorandum of lease and subordination agreement.

It is anticipated that UCF will be obligated to execute the lease on or about August 1, 2017, and the EDA has premised its approval of the lease upon the terms set forth in this amendment.

This Board of Trustees approved an amended and restated development agreement and lease in May 2017. However, final execution remains pending. Approval today will result in execution of an amended and restated development agreement and lease in the form of the approved May 2017 document, but its having been modified to include the EDA-required terms and the memorandum of lease and subordination agreement.

---

**Supporting Documentation:** Attachment A: Revised and Restated Development Agreement and Lease, compared to UCF BOT prior approval version, and with Memorandum of Lease and Subordination Agreement  
Attachment B: EDA Grant and Modification  
Attachment C: General Summary of Changes

**Prepared by:** Sandra M. Sovinski, Senior Associate General Counsel

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

Attachment A

**DRAFT DATED ~~5/166/20/17~~—TO AGENDAS**

**AMENDED AND RESTATED  
FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER  
DEVELOPMENT AGREEMENT**

**By and Between**

**OSCEOLA COUNTY, FLORIDA**

**UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**

**joined for limited purposes by**

**Florida High Tech Corridor Council, Inc.**

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**AMENDED AND RESTATED  
FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER  
DEVELOPMENT AGREEMENT**

**THIS AMENDED AND RESTATED FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER DEVELOPMENT AGREEMENT** (this "Restated Development Agreement") is made and entered into as of *[to come]*, by and between Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County") and the University of Central Florida Board of Trustees ("UCF"), and joined for limited purposes by Florida High Tech Corridor Council, Inc., a Florida nonprofit corporation ("FHTCC"). Osceola County and UCF are referred to collectively herein as the "Parties."

**WITNESSETH:**

**WHEREAS**, Osceola County seeks to aggressively stimulate economic growth within its jurisdiction by, among other things, promoting the diversification of the Osceola County economy by growing high-wage and high-value added employment opportunities, and especially by growing certain targeted high-value added industries to Osceola County in order to provide a stronger, more balanced, and stable economy; and

**WHEREAS**, Osceola County's adopted Strategic Plan specifically recognizes the importance of higher education, job diversification and increasing the median income for its citizens; and

**WHEREAS**, Osceola County believes that local government should support economic growth by providing an incentive for employment opportunities that will lead to the improvement of the quality of life of the residents of Osceola County and the positive expansion of the economy; and

**WHEREAS**, UCF is a research and educational institution that collaborates for the advancement of research, education, and training opportunities and is supported by the University of Central Florida Research Foundation, Inc. ("UCFRF"); and

**WHEREAS**, UCFRF is a non-profit corporation of the State of Florida, a direct support organization within the definition of Section 1004.28, Florida Statutes, and an instrumentality of UCF, operated exclusively to receive, hold, invest in, and administer property, including both real property and intellectual property, to make expenditures to or for the benefit of UCF, and to promote, encourage, and assist research and development activities of UCF, including the development of research and buildings for such research activities, and to engage in complementary activities, including business incubation, joint research activities with industry, and business development activities for the benefit of UCF, the Central Florida region, and the State of Florida; and

**WHEREAS**, FHTCC is a nonprofit corporation of the State of Florida and a regional economic development initiative of UCF, the University of South Florida and the University of



Florida, whose mission is to grow high tech industry and innovation through partnerships that support research, marketing, workforce and entrepreneurship; and

**WHEREAS**, the Parties recognize the impending expansion of the advanced sensor device market and other advanced manufacturing opportunities, and that the absence of an intentional industry collaborative center coupled with this fast growing and dynamic sector of the technology economy, presents a unique and time sensitive opportunity to achieve broad scale economic impact, a top priority in Osceola County's Strategic Plan; and

**WHEREAS**, the Parties have entered into the Florida Advanced Manufacturing Research Center Development Agreement as of August 25, 2014 (the "Original Development Agreement") for the purpose of constructing and operating a center for technology research and development (the "R&D Center") which will further the research mission of UCF, promote economic diversification, high-technology research and innovation, and foster a vibrant advanced sensor and other advanced manufacturing industry in Osceola County; and

**WHEREAS**, the R&D Center is expected to foster a cluster of technology companies driving economic development, implicating all industries with opportunities for startups and business expansions, and adding significant high-wage jobs; and

**WHEREAS**, development of the R&D Center can benefit the local economy through increased tax revenues from industry or business expansion and relocation within Osceola County; and

**WHEREAS**, Osceola County currently owns a 165-acre parcel of property, 20 acres of which will be utilized for development of the R&D Center and the balance of which will be reserved to foster an advanced manufacturing industry cluster; and

**WHEREAS**, the Original Development Agreement provided for construction of a two-story shell building of approximately 100,000 square feet (50,000 square feet per level), a partial build-out of the shell building and associated site work; and

**WHEREAS**, following execution of the Original Development Agreement, Osceola County issued its Sales Tax Revenue Bonds, Series 2015A, which together with an additional \$10,000,000 contribution from other lawfully available funds, provided a \$76,000,000 deposit to the Construction Fund (as hereinafter defined) for the R&D Center, for a full build-out of the shell building and a portion of the building systems; and

**WHEREAS**, Osceola County has subsequently contributed an additional \$10,000,000 from other lawfully available funds to cover additional costs related to a full build-out of the shell building; and

**WHEREAS**, the Parties desire to amend and restate the Original Development Agreement in its entirety to reflect a full build-out of the shell building and make certain other changes in connection therewith;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and agreements contained herein and other valuable consideration, receipt and sufficiency of which are hereby

acknowledged, the Parties mutually undertake, promise and agree for themselves, their successors and assigns as follows:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

**SECTION 1.01. RECITALS.** The Parties agree that the recitals are true and correct and by this reference incorporated and made a part of this Restated Development Agreement.

**SECTION 1.02. DEFINITIONS.** As used in this Restated Development Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires:

**"Advanced Treatment Building"** means the building constructed by Osceola County on the R&D Center Site for the AWNS and ROWS.

**"Advanced Treatment Equipment"** means the AWNS, AWNS Main, ROWS and ROWS Main, including renewals, replacements and expansions.

**"Advanced Treatment Facilities"** means the Advanced Treatment Building and the Advanced Treatment Equipment.

**"Authorized Consortium Representative"** means the person designated by the Consortium to participate in the preopening planning for and design of the R&D Center.

**"Authorized County Representative"** means the person appointed by Osceola County pursuant to Section 4.02(B) hereof.

**"Authorized UCF Representative"** means the person appointed by UCF pursuant to Section 4.02(B) hereof.

**"AWNS"** means an acid waste neutralization and pH adjustment treatment system having an approximate capacity of 95 gallons per minute but no less than 375 gallons per minute instantaneous capacity.

**"AWNS Main"** means a specialty post-process water main which shall run from a point outside of the R&D Center Building to the AWNS.

**"Bond Issuance Date"** means March 26, 2015, the date on which the Sales Tax Bonds were delivered pursuant to the Bond Purchase Agreement and the proceeds of the Sales Tax Bonds became available for design and construction of the R&D Center.

**"Bond Purchase Agreement"** means the agreement pursuant to which Osceola County agrees to deliver the Sales Tax Bonds against payment therefore by the purchaser or underwriter thereof.

**"Bond Resolution"** means the Sales Tax Revenue Refunding Bond Resolution adopted by Osceola County County's Board of Commissioners on December 16, 1993, as amended and supplemented.

**"Building Budget"** means the amount specified in Section 3.01(A)(1) hereof for design and construction of the R&D Building and associated site work.

**"Code"** means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations proposed or in effect with respect thereto.

**"Consortium"** means ICAMR, Inc., a Florida nonprofit corporation formed by UCFRF to foster development of a high-impact industry center for the promotion of cooperative research and development by university, industry and government partners to accelerate advancement in smart sensor development and manufacturing.

**"Construction Documents"** means construction documents prepared pursuant to Section 4.02 hereof for any component of the R&D Center.

**"Construction Fund"** means "The Osceola County, Florida, Sales Tax Revenue Bonds Construction Fund" created pursuant to the Bond Resolution.

**"Contiguous Development Area"** means approximately 145 acres of property contiguous to the R&D Center Site that is owned by Osceola County and more particularly described in Appendix A.

**"Design-Builder"** means the "design-build firm" (as defined in section 287.055(2)(h), Florida Statutes) be selected by Osceola County in accordance with its adopted policies and procedures.

**"Design Documents"** means the design documents for the R&D Center – *100% Signed and Sealed Construction Documents Issued for Permit – Revision 5 dated 3/11/16* as further clarified by Skanska USA Building, Inc. Notice Memorandum 013 dated 3/15/17 and prepared by HOK pursuant to the Agreement for Design Build Services between Osceola County and Skanska USA Building, Inc., which are hereby incorporated herein in their entirety by this reference thereto.

**"FHTCC"** means Florida High Tech Corridor Council, Inc., a Florida nonprofit corporation.

**"Final Completion"** means the stage of construction described in Section 10.8 of the General Conditions.

**"Fiscal Year"** means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period prescribed by law as the fiscal year for Osceola County.

**"Flex Budget"** means the amount specified in Section 3.01(A)(3) hereof, that can be applied to design and construction of the R&D Building and associated site work, acquisition and installation of Tools or Other Project Cost.

**"General Conditions"** means the Design-Build General Terms and Conditions applicable to the Agreement for Design Build Services between Osceola County and the Design-Builder of the R&D Center.

**"KUA"** means the Kissimmee Utility Authority, a public body corporate and politic, duly organized and legally existing as part of the government of the City of Kissimmee under the Constitution and laws of the State of Florida, particularly the Charter of the City.

**"Lease Agreement"** means the Florida Advanced Manufacturing Research Center Lease Agreement between Osceola County and UCF, to be entered into following completion of the R&D Center in substantially the form attached hereto as Appendix B.

**"Management Services Agreement"** means a management contract between UCF and the Consortium, pursuant to which the Consortium will manage and operate the R&D Center.

**"Osceola County"** means Osceola County, a charter county and political subdivision of the State of Florida.

**"Other Project Cost"** means personnel cost, travel expenses, supplies (including but not limited to specialized gasses and routine tools) associated with the design, construction and operation of the R&D Center. The term "Other Project Cost" does not include PO&M Cost or the cost of acquiring and installing Tools.

**"Parties"** means Osceola County, UCF and their respective permitted successors and assigns.

**"PO&M Cost"** means the cost of operation and maintenance of the R&D Center. The term "PO&M Cost" does not include Other Project Cost or the cost of acquiring and installing Tools.

**"Preopening Services"** means the duties specified in Section 4.01 hereof.

**"Project Budget"** means the Building Budget, the Tool Budget and the Flex Budget, as set forth in Section 3.01(A) hereof.

**"Punch List"** means the list of minor items to be completed and deficiencies to be corrected after the R&D Center reaches Substantial Completion.

**"R&D Building"** means a two-story, approximately 100,000 square foot building (50,000 square feet per level), as more specifically described in the Design Documents, to be constructed by Osceola County pursuant to Article IV hereof as a center for technology research and development, including necessary site work.

**"R&D Center"** means the R&D Building, the Advanced Treatment Facilities and the Tools, unless the agreement with the grant provider or supplier for such Tools provides that such Tools will not become the property of Osceola County.

**"R&D Center Site"** means approximately 10 acres of real property to be leased by Osceola County to UCF pursuant to the Lease Agreement, as more specifically described in Appendix A to the Lease Agreement.

**"Restated Development Agreement"** means this Amended and Restated Florida Advanced Manufacturing Research Center Development Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

**"ROWS"** means a reverse osmosis or similar system which treats potable water and yields water, which will then be further treated by the Operator within the R&D Center, and used for sophisticated commercial applications or manufacturing processes, having a minimum capacity of 100 gallons per minute.

**"ROWS Main"** means a specialty water main from the Advanced Treatment Building to the R&D Center.

**"Sales Tax Bonds"** means Osceola County's Sales Tax Revenue Bonds, Series 2015A.

**"Sales Tax Revenue"** means the proceeds of the local government half-cent sales tax distributed to Osceola County from the Local Government Half-Cent Sales Tax Clearing Trust Fund, as defined and described in Part VI, Chapter 218, Florida Statutes, as amended.

**"State"** means the State of Florida.

**"Substantial Completion"** means the stage of construction described in Section 10.7 of the General Conditions.

**"Tools"** means specialized equipment for research and development to be acquired and installed in the R&D Building.

**"Tool Budget"** means the amount specified in Section 3.01(A)(2) hereof for the acquisition and installation of Tools.

**"TWA"** means the Tohopekaliga Water Authority, an independent special district, established and created by special act of the Florida Legislature.

**"UCF"** means the University of Central Florida Board of Trustees.

**"UCFRF"** means University of Central Florida Research Foundation, Inc., a Florida nonprofit corporation and a UCF direct support organization within the definition of Section 1004.28, Florida Statutes.

**SECTION 1.03. INTERPRETATION.** Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein", "hereunder", "hereby", "hereof", and any similar terms, shall refer to this Restated Development Agreement; the term "heretofore" shall mean before the date this Restated Development Agreement is executed; and the term "hereafter" shall mean after the date this Restated Development Agreement is executed. Whenever the word "including" is used herein, it shall be deemed to mean "without limitation." Each recital, covenant, agreement, representation and warranty made by a Party herein shall be deemed to have been material and to have been relied on by the other Parties to this Restated Development Agreement. All Parties have

participated in the drafting and preparation of this Restated Development Agreement, and the provisions hereof shall not be construed for or against any Party by reason of authorship.

**SECTION 1.04. SECTION HEADINGS.** Any headings preceding the texts of the several Sections of this Restated Development Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Restated Development Agreement nor affect its meaning, construction or effect.

## **ARTICLE II REPRESENTATIONS**

**SECTION 2.01. REPRESENTATIONS OF OSCEOLA COUNTY.** Osceola County makes the following representations as the basis for the undertakings on the part of UCF herein contained:

(A) Osceola County is a charter county and political subdivision of the State of Florida, and has all requisite power and authority to enter into the transactions contemplated by this Restated Development Agreement and the Lease Agreement and to carry out its obligations hereunder and thereunder.

(B) Osceola County is not in default under any provisions of applicable law material to the performance of its obligations under this Restated Development Agreement and the Lease Agreement.

(C) Osceola County has duly authorized the execution and delivery of this Restated Development Agreement, and assuming the due authorization, execution and delivery by UCF, this Restated Development Agreement constitutes a valid and legally binding obligation of Osceola County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(D) The authorization, execution and delivery of this Restated Development Agreement, and the compliance by Osceola County with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State of Florida relating to Osceola County or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which Osceola County is subject or by which it is bound.

(E) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of Osceola County, threatened against or affecting Osceola County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Restated Development Agreement, or any agreement or instrument to which Osceola County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(F) Osceola County is fee simple owner, legal and equitable, of the R&D Center Site, as more particularly described in Appendix A to the Lease Agreement.

(G) Osceola County has no knowledge regarding and has received no written notice of any alleged violation of any law, ordinance, order, or regulation affecting the R&D Center Site issued by any governmental or quasi-governmental authority having jurisdiction over the R&D Center Site.



(H) Osceola County has not received a written summons, citation, directive, notice, complaint, or letter from the United States Environmental Protection Agency, the State of Florida Department of Environmental Protection, or other federal, state, or local governmental agency or authority specifying any alleged violation of any environmental law, rule, regulation, or order at or on the R&D Center Site and, to the best of Osceola County's actual knowledge, information, and belief, the R&D Center Site is not currently under investigation for any such violation.

(I) To the best of Osceola County's knowledge, but without conducting an independent investigation, the R&D Center Site is in compliance with and there is no violation of any applicable law, ordinance, order, or regulation with respect to any Hazardous Substance, as defined in the Lease Agreement.

(J) To the best of Osceola County's knowledge, but without conducting an independent investigation, the R&D Center Site does not contain any historical, archaeological, architectural, or other cultural artifacts, relics, vestiges, remains, or objects of antiquity or protected or endangered species.

(K) To the best of Osceola County's knowledge, but without conducting an independent investigation, there is no violation of any law, ordinance, order, or regulation, and no environmental condition is known that would adversely impact the intended development of the Contiguous Development Area to foster advanced manufacturing industry in Osceola County.

**SECTION 2.02. REPRESENTATIONS OF UCF.** UCF makes the following representations as the basis for the undertakings on the part of Osceola County herein contained:

(A) UCF is a member institution of the State University System of Florida and has all requisite power and authority to enter into the transactions contemplated by this Restated Development Agreement and the Lease Agreement and to carry out its obligations hereunder and thereunder.

(B) UCF is not in default under any provisions of applicable law material to the performance of its obligations under this Restated Development Agreement and the Lease Agreement.

(C) UCF has duly authorized the execution and delivery of this Restated Development Agreement, and assuming the due authorization, execution and delivery by Osceola County, this Restated Development Agreement constitutes a valid and legally binding obligation of UCF, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(D) The authorization, execution and delivery of this Restated Development Agreement, and the compliance by UCF with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State of Florida relating to the UCF or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which UCF is subject or by which it is bound.

(E) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of the UCF, threatened against or affecting UCF, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Restated Development Agreement, or any agreement or instrument to which UCF is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

**SECTION 2.03. REPRESENTATIONS OF FHTCC.** FHTCC hereby represents to the Parties that it is a nonprofit corporation duly organized, validly existing and in good standing in the State of Florida, and has all requisite power and authority to enter into this Restated Development Agreement for the limited purposes set forth in Section 5.14 hereof.

## **ARTICLE III PLAN OF FINANCE**

### **SECTION 3.01. PROJECT BUDGET.**

(A) The Project Budget is hereby established as \$95,000,000, comprised as follows:

(1) a Building Budget of \$75,000,000 for design and construction of the R&D Building, which has been funded from \$55,000,000 of the Sales Tax Bond proceeds, and an additional \$20,000,000 contribution of other available Osceola County funds, and may be adjusted pursuant to the following subsection (B) – the full amount of the Building Budget has been committed to design and construction of the R&D Building, leaving no current uncommitted balance;

(2) a Tool Budget of \$11,000,000 for acquisition and installation of Tools, which has been funded from Sales Tax Bond proceeds and may be adjusted pursuant to the following subsections (B) and (C) – the full amount of the Tools Budget has been expended to purchase Tools from Intersil Corporation and for installation of the Tools, leaving no current balance; and

(3) a Flex Budget of \$9,000,000 funded by UCF, which may be applied to (a) design and construction of the R&D Building and associated site work, (b) acquisition and installation of Tools or (c) Other Project Cost, as set forth in the following subsection (D) – the following expenditures and commitments have been made from the Tools Budget: (a) \$1,000,000 has been paid to UCF (10/27/15), (b) \$1,210,670 has been committed for complete installation of the Tools purchased from Intersil Corporation (8/29/16) and (c) \$4,869,643 has been committed to fund various upgrades to the R&D Building (10/24/16), leaving a current uncommitted balance of \$1,919,687.

Notwithstanding any provision of this Restated Development Agreement to the contrary, the design and construction cost for the R&D Building shall not exceed the Building Budget. At its sole option, any Party may provide additional money or the Parties may seek third-party additional money to (x) fund any difference between the Project Budget and the actual cost of designing and constructing the R&D Center to the Design Documents, or (y) enhance the R&D Center beyond the Design Documents.

(B) If the Authorized County Representative determines during the design and construction process described in Section 4.02 hereof that the projected design and construction cost for the R&D Building will exceed the Building Budget, the Authorized County Representative shall notify the Authorized UCF Representative and the Authorized Consortium Representative of the projected cost overrun. If approved by the Authorized UCF Representative in writing, amounts available in the Tool Budget or the Flex Budget shall be transferred to the Building Budget and applied to design and construction of the R&D Building. If the Authorized UCF Representative does not approve a transfer of funds to cover the projected cost overrun and other funds are not made available by either Osceola County or UCF for such purpose within ten days following the date of the notice described above, the Authorized County Representative shall unilaterally reduce

the scope for the R&D Building, as necessary, to bring the design and construction cost for the R&D Building within the Building Budget.

(C) Amounts available in the Flex Budget shall be applied by Osceola County, as directed by the Authorized UCF Representative, to (a) design and construction of the R&D Building and associated site work, or (b) acquisition and installation of Tools pursuant to Section 4.03 hereof. If requested by the Authorized UCF Representative, amounts available in the Flex Budget shall be transferred to UCF for application to Other Project Cost or Preopening Services.

(D) The Parties acknowledge and agree that approximately \$120,000,000 will be required for Tools and Other Project Cost. The Parties acknowledge and agree that they will work together with the Consortium to secure the additional resources from national, state, and regional governmental organizations and community partners.

### **SECTION 3.02. PREOPENING FUNDS.**

(A) UCF has allocated \$3,000,000 of its own funds to provide the Preopening Services.

(B) FHTCC has provided \$1,000,000 of matching funds to UCF, which shall be used for Preopening Services.

### **SECTION 3.03. PROJECT FUNDING.**

(A) Osceola County notified UCF not less than fifteen days in advance of the date it intended to enter into the Bond Purchase Agreement.

(1) Within ten days following the notice provided to UCF, UCF paid \$9,000,000 to Osceola County to be held in trust for application in accordance with this Agreement.

(2) On the Bond Issuance Date, Osceola County deposited \$76,000,000 into the Construction Fund from proceeds of the Sales Tax Bonds or other funds lawfully available for construction of the R&D Center.

(B) The Parties agree to mutually support legislation appropriating funds for the R&D Center.

**SECTION 3.04. ISSUANCE OF SALES TAX BONDS.** Following satisfaction by UCF of its obligations under Sections 3.02 and 3.03 hereof, Osceola County issued its Sales Tax Revenue Bonds, Series 2015A in a principal amount that yielded net proceeds sufficient, together with any simultaneous cash contribution, to pay accrued interest, capitalized interest and deposit \$76,000,000 into the Construction Fund. Osceola County shall not issue obligations to refund the Sales Tax Bonds that mature later than 35 years after issuance of the Sales Tax Bonds.

**SECTION 3.05. OPERATING FUNDS.** UCF will be responsible for payment of all operating and maintenance expenses of the R&D Center, including the PO&M Cost and Other Project Cost.

## **ARTICLE IV RESEARCH CENTER**

**SECTION 4.01. PREOPENING SERVICES.** UCF, with the assistance of the Consortium and FHTCC, will perform the following duties prior to and during construction of the R&D Facility

(A) UCFRF has established the Consortium to foster development of a high-impact industry center for the promotion of cooperative research and development by university, industry and government partners to accelerate advancement in smart sensor development and manufacturing.

(1) The Consortium's Articles of Incorporation, as amended, designate Osceola County and UCF to each appoint one member to the Consortium's Board of Directors.

(2) The Consortium intends to expand membership on its Board of Directors, with the goal of having a majority of members representing industry, national laboratory, and industry organizations.

(3) The Consortium has conducted Board of Director's meetings and has appointed officers, including a Chief Executive Officer.

(B) UCF has assisted Osceola County, by participating as co-applicant with Osceola County and the Consortium, in the pending pursuit of a \$2,222,412 financial assistance award for equipment and tool installation from the U.S. United States Department of Commerce ~~Public Works and~~ Economic Development Act Administration (Osceola County, FL Award 04-01-07149).

(C) UCF, with the help of community collaborators such as FHTCC, will assist and work with the Consortium to:

(1) establish rules and procedures for its Consortium's Board of Directors as soon as practical and as deemed necessary, after the Board's first meeting;

(2) review planned operations and funding, and assist with synergy between the R&D Center and industry, to recruit companies to the advanced sensor device industry cluster;

(3) coordinate design of the R&D Center facilities;

(4) develop a roadmap for program definition, industry advancement, operations, and device/materials processing development, research and emerging technology programs, including technical milestones;

(5) work to attract, maintain and grow advanced manufacturing companies to the industry cluster;

(6) define intended collaborative research structures, internship programs, and training opportunities for skilled worker development and redevelopment;

(7) present the R&D Center to the government, public, and private business sectors; and

(8) provide marketing to attract suppliers and vendors.

(D) UCF, with the help of community collaborators such as FHTCC, will contract with recognized leaders in the advanced sensor design and advanced manufacturing methods, and shall support those leaders to assist the Consortium in development of the R&D Center.

(E) UCF, in partnership with Osceola County, the Metro Orlando EDC, FHTCC and other regional community and business leaders, will seek funding for the R&D Center from the State of Florida and other sources.

(F) UCF will leverage its existing resources and infrastructure, including but not limited to, UCF's internationally recognized business incubation program, to aide in the development of the R&D Center.

(G) UCF will collaborate with the Consortium for conferences and specialized courses for worker and technician training, and seek partnerships with community colleges located within Osceola County.

(H) The Authorized UCF Representative, working with any Authorized Consortium Representative, shall provide monthly R&D Center planning activity progress reports to the Authorized County Representative, commencing not later than sixty days following the execution of this Restated Development Agreement and continuing through the date on which the R&D Center reaches Substantial Completion. The Parties representatives and any Authorized Consortium Representative shall meet periodically (but not less frequently than monthly) at the request of any Party's representative to review and discuss the progress reports.

#### **SECTION 4.02. DESIGN AND CONSTRUCTION.**

(A) Osceola County shall be responsible for designing and constructing the R&D Center on the R&D Center Site in compliance with all State and local laws, ordinances and regulations applicable thereto without unreasonable delay and in accordance with sound engineering practices, in accordance with the Capital Budget (or any revision made pursuant to Section 3.01(B) hereof) and Design Documents and in substantial compliance with the Construction Documents deemed consistent with the Design Documents pursuant to the following subsection (D). UCF, Osceola County and the Consortium shall have the right, but not the duty, to inspect construction of the R&D Center to determine compliance with the Construction Documents deemed consistent with the Design Documents pursuant to the following subsection (D). Any inspection conducted by UCF, Osceola County or the Consortium shall be coordinated with the Design-Builder and shall not interfere with timely construction of the R&D Center. Osceola County shall use due diligence and its best reasonable effort to obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, construction, installation and equipping

of the R&D Center. Design and construction of the R&D Center shall comply with the provisions of this Section.

(B) Each Party has designated an authorized representative to participate in the R&D Center design process and will encourage designation of an Authorized Consortium Representative.

(C) The Authorized UCF Representative, or such person's designee, and any Authorized Consortium Representative have and shall continue to make themselves available to the Authorized County Representative on a daily basis, if necessary, to provide information required for design and construction of the R&D Center. The Design Documents have been approved by the Authorized County Representative and Authorized UCF Representative.

(D) The Authorized County Representative shall provide copies of the Construction Documents for each construction component to the Authorized UCF Representative for review, which review will be limited to ensuring consistency with the Design Documents. If the Authorized UCF Representative considers the Construction Documents to be inconsistent with the Design Documents, it shall notify the Authorized County Representative in writing and shall include the specific reasons it considers the Construction Documents to be inconsistent with the Design Documents. If the Authorized UCF Representative does not provide the foregoing notice within seven days of the date they are provided by the Authorized County Representative for review, the Construction Documents shall be conclusively deemed consistent with the Design Documents.

(E) The Authorized County Representative has and shall continue to provide monthly design and construction progress reports to the Authorized UCF Representative, continuing through the date on which the R&D Center reaches Substantial Completion. Representatives of the Parties and the Consortium shall meet periodically (but not less frequently than monthly) at the request of the representative of either Party or the Consortium to review and discuss the progress reports.

(F) Osceola County is entering into an agreement with TWA, coincident with this Restated Development Agreement, to (1) extend water and wastewater utilities to the R&D Center Site, (2) construct an ultra-pure water process water system for the R&D Building, and (3) construct an acid waste neutralization system for the R&D Building, which permits TWA to recover its \$3,200,000 capital contribution for construction of the Advanced Treatment Facilities at the R&D Center through a surcharge, during a period of not less than ten years, to utility bills for service to the R&D Center.

#### **SECTION 4.03. ACQUISITION AND INSTALLATION OF TOOLS.**

(A) The Parties acknowledge and agree that:

(1) the R&D Building cannot be used for technology research and development without Tools;

(2) the R&D Building will be designed and constructed to accommodate the installation, removal and replacement of Tools, which will allow UCF and other occupants of the R&D Building to maintain pace with emerging technology.

(B) Osceola County shall acquire Tools for installation in the R&D Building at the Authorized UCF Representative's direction, provided that the cost of acquisition and installation does not exceed the amount allocated for such purpose in the Tools Budget, or any revision made pursuant to Section 3.01(B) hereof. With approval from the Authorized County Representative and the Authorized UCF Representative, Tools may also be acquired and installed pursuant to a Tool funding grant, donation, loan, or equipment lease agreement. Tools installed in the R&D Building pursuant to this subsection shall be the property of Osceola County and become a part of the Leased Premises during the Lease Term unless the agreement with the grant provider or Tool supplier provides otherwise.

#### **SECTION 4.04. SUBSTANTIAL COMPLETION.**

(A) Design and construction of the R&D Center commenced within 20 days following issuance of the Sales Tax Bonds and shall proceed diligently to Substantial Completion not more than 30 months after construction commences, subject only to force majeure. For purposes of this Section, force majeure means a delay by reason of war, civil commotion, strike or other employment action, act of God, governmental restrictions, regulations or interferences, fire or other casualty, court injunction, unforeseen delays in the issuance of any permit required for construction of the R&D Center, or any other act, event or circumstances beyond Osceola County's reasonable control. Osceola County shall notify the Authorized UCF Representative and the Authorized Consortium Representative of the circumstances under which it is claiming such force majeure as soon as practicable.

(B) Following the date on which the R&D Center reaches Substantial Completion, the Authorized County Representative, the Authorized UCF Representative, the Authorized Consortium Representative and their respective consultants shall make a joint physical inspection of the R&D Center and develop a Punch List. Osceola County shall cause the Design-Builder to complete all items on the Punch List as soon as practicable.

**SECTION 4.05. MANAGEMENT SERVICES AGREEMENT.** *[subject to review by tax counsel]* UCF shall enter into the Management Services Agreement following Substantial Completion of the R&D Center. The Management Services Agreement shall include the following:

(A) a statement that such agreement is intended to and shall constitute a "qualified management agreement" in compliance with applicable requirements of Section 141 of the Internal Revenue Code, as amended, and Rev. Proc. 2016-44 and successors thereto, and shall be interpreted in accordance with such requirements;

(B) a representation that UCF, the Consortium or any other party responsible for management and operation of the R&D Center, as may be applicable, has reviewed and is familiar with the applicable requirements of Section 141 of the Code and Rev. Proc. 2016-44 and will review and become familiar with successors thereto; and



(C) an acknowledgment that Osceola County has issued the Sales Tax Bonds with the expectation that the interest thereon will be exempt from federal income tax under the provisions of Section 141(b) of the Code, § 1.141-3 of the Treasury Regulations and Rev. Proc. 2016-44 relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use, and an agreement to avoid conditions under which tax exempt bond financed property will be considered used for an impermissible private business use.

Upon execution, UCF shall provide a copy of the Management Services Agreement to the United States Department of Commerce, Economic Development Administration, referencing the financial assistance award identified in Section 4.01(B) hereof.

**SECTION 4.06. LEASE AGREEMENT.** UCF will lease the R&D Center Site from Osceola County for a period of 40 years for use as a center for technology research and development and pay all PO&M Cost and Other Project Cost associated therewith. Upon satisfaction of the following conditions, Osceola County and UCF agree to enter into the Lease Agreement in the form attached hereto as Appendix B:

- (1) UCF has entered into the Management Services Agreement with the Consortium simultaneously herewith;
- (2) construction of the R&D Center has reached Substantial Completion; and
- (3) receipt of an updated Phase I Environmental Assessment, prepared at the expense of Osceola County, detecting no potential or existing environmental contamination liabilities related to the property to be leased by UCF, as described in Appendix A to the Lease Agreement, that were not identified in the Phase I Environmental Site Assessment prepared by Ardaman and Associates, Inc., dated July 20, 2012.

**SECTION 4.07. RESEARCH SUPPORT.**

(A) UCF has or will provide \$7,000,000 of in-kind support through focused faculty hires that will support development of a high-impact industry center for the promotion of cooperative research and development by university, industry and government partners to accelerate advancement in smart sensor development and manufacturing.

(B) FHTCC has or will provide up to \$1,000,000 of matching funds annually to UCF beginning on August 25, 2014, up to a total of \$5,000,000, which shall be used for the purposes described in the foregoing subsection (A).

## **ARTICLE V**

### **GENERAL PROVISIONS**

**SECTION 5.01. CONTIGUOUS DEVELOPMENT AREA.** The Parties acknowledge and agree that (A) a primary purpose of constructing the R&D Center is to foster technology research and development which will further the research mission of UCF and a cluster of technology companies driving economic development, implicating all industries with opportunities for startups and business expansions, and adding significant high-wage jobs; and (B) the availability of additional property contiguous to the R&D Center Site will facilitate the attraction of technology research and advanced manufacturing companies to an industry cluster. To achieve this objective, Osceola County will reserve the Contiguous Development Area to foster technical research and advanced manufacturing industry (including uses supporting technical research and advanced manufacturing facilities) for a period of ten years following Substantial Completion of the R&D Center. This Section shall not be construed to grant any rights in the Contiguous Development Area to UCF and shall not prohibit Osceola County from utilizing portions of the Contiguous Development Area for right-of-way, drainage (temporary or permanent), utilities or other infrastructure. Portions of the Contiguous Development Area may be utilized for other purposes with the written consent of UCF.

### **SECTION 5.02. PUBLIC RECORDS.**

(A) The Parties acknowledge that by virtue of this Agreement all of their respective documents, records and materials of any kind, relating to the relationship created hereby, shall be open to the public for inspection in accordance with Florida law. If either Party will act on behalf of the other Party, as provided under Section 119.011(2), Florida Statutes, acting Party, subject to the terms of section 287.058(1)(c), Florida Statutes, and any other applicable legal and equitable remedies, shall:

(1) Keep and maintain public records required by the other Party to perform the service.

(2) Upon request from the other Party's custodian of public records, provide the other Party with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by Florida law.

(3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the other Party.

(4) Upon completion of the contract, transfer, at no cost, to the other Party all public records in possession of the acting Party or keep and maintain public records required by the other Party to perform the service. If the acting Party transfers all public records to the other Party upon completion of the contract, the acting Party shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the acting Party keeps and maintains public records

upon completion of the contract, the acting Party shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the other Party, upon request from the other Party's custodian of public records, in a format that is compatible with the information technology systems of the other Party.

(5) If the acting Party does not comply with a public records request, the other Party shall enforce the contract provisions in accordance with the Agreement.

(B) Any questions regarding the application of Chapter 119, Florida Statutes, to the acting Party's duty to provide public records relating to this Agreement should be directed to the other Party's custodian of public records, as follows:

As to the County:  
Public Information Office  
1 Courthouse Square, Suite 3100  
Kissimmee, FL 34741  
407-742-0100  
BCCPIO@osceola.org

As to UCF:  
Office of the General Counsel  
University of Central Florida  
4365 Andromeda Loop North  
Millican Hall, Suite 360  
Orlando, FL 32816-0015

### **SECTION 5.03. DISPUTE RESOLUTION.**

(A) The Parties agree to resolve any dispute related to the interpretation or performance of this Restated Development Agreement in the manner described in this Section. Any Party may initiate the dispute resolution process by providing written notice to the other Party.

(B) After transmittal and receipt of a notice specifying the area or areas of disagreement, the Parties agree to meet at reasonable times and places, as mutually agreed upon, to discuss the issues.

(C) If discussions between the Parties fail to resolve the dispute within sixty days of the notice described in the foregoing subsection (A), the Parties shall appoint a mutually acceptable neutral third Party to act as a mediator. If the Parties are unable to agree upon a mediator, either Party may request appointment of a mediator by the Chief Judge of the Circuit Court of the Ninth Judicial Circuit in and for Osceola County, Florida. The mediation contemplated by this subsection is intended to be an informal and non-adversarial process with the object of helping the Parties reach a mutually acceptable and voluntary agreement. The decision making shall rest solely with the Parties. The mediator shall assist the Parties in identifying issues, fostering joint problem-solving, and exploring settlement alternatives. It is understood that any settlement may require approval of Osceola County's Board of Commissioners.

(D) If the Parties are unable to reach a mediated settlement within 120 days of the mediator's appointment, either Party may terminate the settlement discussions by written notice to the other Party. In such event, either Party may initiate litigation within 120 days of the notice terminating the settlement discussions. Failure by the Party initiating the dispute resolution procedure to commence litigation within the 120-day period shall be deemed to constitute an acceptance of the interpretation or performance of the other Party. Nothing contained herein shall be construed or interpreted as (1) denying to any party any remedy or defense available to that party under the laws of the State of Florida, (2) the consent of the State of Florida or its agents or

agencies to be sued, or (3) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.

**SECTION 5.04. ASSIGNMENT.** None of the Parties shall be permitted to assign, nor transfer any of its rights and obligations under this Restated Development Agreement without the prior written consent of the other Parties, which shall not be withheld unreasonably, except that UCFRF may act as an instrumentality of UCF, in direct support of UCF's obligations hereunder.

**SECTION 5.05. PROFESSIONAL FEES.** Each Party shall be responsible for securing its own counsel for representation relative to all matters associated with performance, cancellation or closing hereunder, including any mediation, unless otherwise specified herein, and each Party shall be responsible for the payment of the fees of its own attorneys and other professional advisors or consultants in connection therewith.

**SECTION 5.06. TIME OF THE ESSENCE.** Time is of the essence with respect to all provisions of this Restated Development Agreement.

**SECTION 5.07. NO JOINT VENTURE.** Nothing in this Restated Development Agreement shall be deemed to constitute the creation of a joint venture or partnership relationship among the Parties to this Restated Development Agreement.

**SECTION 5.08. NON-WAIVER.** The failure of any Party to insist upon another Party's compliance with its obligations under this Restated Development Agreement in any one or more instances shall not operate to release such other Party from its duties to comply with such obligations in all other instances.

**SECTION 5.09. COUNTERPARTS.** This Restated Development Agreement may be executed in multiple counterparts. Each such counterpart shall be deemed an original of this Restated Development Agreement, so that in making proof of this Restated Development Agreement, it shall only be necessary to produce or account for one such counterpart.

**SECTION 5.10. ENTIRE AGREEMENT.** This Restated Development Agreement, including the Appendices, which are incorporated herein by reference, constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the Parties, whether oral or written, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof, except as specifically set forth herein.

**SECTION 5.11. BINDING EFFECT.** This Restated Development Agreement shall be binding upon and inure to the benefit of the respective successors and assigns and, as applicable, to heirs and legal representatives of the Parties hereto.

**SECTION 5.12. AMENDMENTS AND WAIVERS.** No amendment, supplement, modification or waiver of this Restated Development Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any of the provisions of this Restated Development Agreement shall be deemed or shall constitute a waiver of any other provision of this Restated Development Agreement, whether or not similar, unless otherwise expressly provided.

**SECTION 5.13. NOTICES TO PARTIES.**

(A) Whenever this Restated Development Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one Party to another, the content, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to and received by the Party intended to receive it (1) by hand delivery to the person(s) hereinafter designated, or (2) by overnight hand delivery addressed as follows, or (3) through the United States Mail, postage prepaid, certified mail, return-receipt requested, or (4) delivered and received by facsimile telephone transmission or other electronic transmission (provided that an original of the electronically transmitted document is delivered within five days after the document was electronically transmitted) upon the date so delivered to and received by the person to whom it is at the address set forth opposite the Party's name below:

To Osceola County: Osceola County Manager  
1 Courthouse Square  
Suite 4700  
Kissimmee, FL 34741  
Phone: (407) 742-2385  
Fax: (407) 742-3291

With a copy to: Osceola County Attorney  
1 Courthouse Square  
Suite 4200  
Kissimmee, FL 34741  
Phone: (407) 343-2330  
Fax: (407) 742-2217

To UCF: Vice President for Research & Commercialization  
University of Central Florida  
4365 Andromeda Loop North  
Millican Hall Room 260  
Orlando, FL 32816  
Phone: (407) 823-5538  
Fax: (407) 882-1156

With a copy to: Vice President and General Counsel  
University of Central Florida  
4365 Andromeda Loop North  
Millican Hall Room 360  
Orlando, FL 32816  
Phone: (407) 823-2482  
Fax: (407) 823-6155

Either of the foregoing Parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

(B) A copy of each such notice shall be provided in the same manner to the Consortium at the address set forth below:

To Consortium: ICAMR, Inc.  
Attention: Chief Operating Officer  
200 NeoCity Way  
Kissimmee, FL 34744  
Phone: (407) 742-4254  
Fax: (407) 742-3291

The Consortium may, by notice in writing given to the Parties, designate any further or different address to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

**SECTION 5.14. JOINDER BY FHTCC.** FHTCC joins in the execution of this Restated Development Agreement for the sole purpose of agreeing to be bound by the provisions set forth in Sections 3.02(B) and 4.07(B) of this Restated Development Agreement requiring FHTCC to provide funds to UCF for the purposes described therein.

**SECTION 5.15. SEVERABILITY.** In the event any one or more of the provisions contained in this Restated Development Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Restated Development Agreement shall be revised so as to cure such invalid, illegal or unenforceable provision to carry out as nearly as possible the original intent of the Parties.

**SECTION 5.16. GOVERNING LAW AND VENUE.** This Restated Development Agreement and all agreements entered into in connection herewith will be performed in Osceola County. The laws of Florida shall govern the validity, construction, enforcement and interpretation of this Restated Development Agreement. In the event of litigation among the Parties hereto, their successors or assigns, with regard to this Restated Development Agreement and any subsequent supplementary agreements or amendments, venue shall lie exclusively in Osceola County.

**IN WITNESS WHEREOF**, the Board of County Commissioners of Osceola, Florida, has caused this Restated Development Agreement to be executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2017.

**OSCEOLA COUNTY, FLORIDA**

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

Chairman/Vice Chairman  
Board of County Commissioners

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk/Deputy Clerk

As authorized for execution at the Board of  
County Commissioners meeting of:

\_\_\_\_\_

**IN WITNESS WHEREOF**, UCF has caused this Restated Development Agreement to be executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2017.

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

By: \_\_\_\_\_  
John C. Hitt, Ph.D., President

**WITNESSES:**

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

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



**IN WITNESS WHEREOF**, FHTCC has caused this Restated Development Agreement to be executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2017, for the limited purposes set forth in Section 5.14 hereof.

**FLORIDA HIGH TECH CORRIDOR  
COUNCIL, INC.**

WITNESSES

By: \_\_\_\_\_  
Edward Schons, President

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

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

**APPENDIX A**  
**DESCRIPTION OF CONTIGUOUS DEVELOPMENT AREA**

A PARCEL OF LAND LYING IN SECTION 23 AND 24, TOWNSHIP 25, SOUTH, RANGE 29 EAST, OSCEOLA COUNTY, FLORIDA, BEING A PORTION OF BLOCKS L, N, O, P, S, T, W AND X, KISSIMMEE GARDENS, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 1, PAGE 32 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA AND A PORTION OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 24, TOWNSHIP 25 SOUTH, RANGE 29 EAST, TOGETHER WITH ALL THOSE PLATTED RIGHT OF WAYS AS SHOWN ON SAID PLAT OF KISSIMMEE GARDENS LYING WITHIN THE SUBJECT PROPERTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE RUN SOUTH 89°44'34" EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 24, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 00°00'17" WEST, A DISTANCE OF 332.65 FEET TO A POINT ON THE SOUTH LINE OF LOT 6, OF SAID BLOCK T, THENCE RUN NORTH 89°35'59" WEST, ALONG THE SOUTH LINE OF LOT 6, BLOCK T, LOTS 3 AND 6, BLOCK P AND LOT 3, BLOCK L, A DISTANCE OF 1,898.03 FEET TO A POINT ON THE EAST LINE OF A 50 FOOT WIDE KISSIMMEE UTILITY AUTHORITY UTILITY EASEMENT, AS RECORDED IN OFFICIAL RECORDS BOOK 944, PAGE 2242, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 42°16'07" EAST, ALONG SAID EAST LINE, A DISTANCE OF 1138.19 FEET; THENCE RUN NORTH 24°25'33" EAST, ALONG SAID EAST LINE, A DISTANCE OF 1993.21 FEET; THENCE RUN NORTH 47°14'44" WEST, A DISTANCE OF 370.90 FEET; THENCE RUN NORTH 42°45'16" EAST, A DISTANCE OF 75.00 FEET TO THE MOST WESTERLY CORNER OF AVATAR PROPERTIES, INC. LANDS AS DESCRIBED IN O.R. BOOK 3461, PAGE 1998, SAID POINT ALSO BEING ON THE NORTHEASTERLY LINE OF AVATAR LANDS AS DESCRIBED IN O.R. BOOK 2754, PAGE 905, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN SOUTH 47°14'44" EAST, ALONG SAID NORTHEASTERLY LINE OF AVATAR PROPERTIES, A DISTANCE OF 1116.86 FEET; THENCE RUN SOUTH 47°14'56" EAST, A DISTANCE OF 320.00 FEET; THENCE RUN SOUTH 47°27'50" EAST, A DISTANCE OF 500.42 FEET, THENCE RUN SOUTH 47°06'56" EAST, A DISTANCE OF 417.41 FEET; THENCE RUN SOUTH 53°11'03" EAST, A DISTANCE OF 120.82 FEET; THENCE RUN SOUTH 53°03'53" EAST, A DISTANCE OF 389.41 FEET; THENCE RUN SOUTH 53°14'50" EAST, A DISTANCE OF 155.03 FEET; THENCE RUN SOUTH 53°02'19" EAST, A DISTANCE OF 1,092.84 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST ¼ OF AFORESAID SECTION 24; THENCE RUN SOUTH 00°01'51" WEST, ALONG SAID EAST LINE, A DISTANCE OF 667.20 FEET TO A POINT ON THE SOUTH LINE SAID BLOCK X, KISSIMMEE GARDENS; THENCE RUN NORTH 89°45'20" WEST, ALONG SAID SOUTH LINE OF BLOCK X, A DISTANCE OF 1,322.35 FEET; THENCE RUN NORTH 89°44'34" WEST, ALONG THE SOUTH LINE OF SAID BLOCK T, KISSIMMEE GARDENS, A DISTANCE OF 1,282.72 FEET TO THE POINT OF BEGINNING.

CONTAINING 160.877 ACRES, MORE OR LESS.

AND

BEGIN AT THE MOST EASTERLY CORNER OF THE BOGGY CREEK ROAD REALIGNMENT, AS DESCRIBED IN OFFICIAL RECORDS BOOK 1878, PAGE 259, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN SOUTH 38°30'00" WEST, ALONG THE SOUTHEASTERLY RIGHT OF WAY LINE OF SAID ROAD, A DISTANCE OF 10.85 FEET TO A POINT OF CURVE TO THE LEFT, HAVING A RADIUS OF 255.00 FEET, A CHORD BEARING OF SOUTH 31°32'20" WEST, AND A CHORD DISTANCE OF 61.81 FEET; THENCE RUN ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 13°55'20", A DISTANCE OF 61.96 FEET TO A POINT OF TANGENCY; THENCE RUN SOUTH 24°34'40" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 45.26 FEET; THENCE RUN NORTH 89°22'39" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 74.06 FEET TO A POINT ON THE EAST LINE OF FREEDOM TABERNACLE INTERNATIONAL OUTREACH MINISTRIES, INC. Property, AS DESCRIBED BY WARRANTY DEED, RECORDED IN OFFICIAL RECORDS BOOK 1490, PAGE 2478, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 00°16'23" EAST, ALONG SAID EAST LINE AND THE WEST LINE OF SAID RIGHT OF WAY, A DISTANCE OF 54.21 FEET; THENCE RUN NORTH 24°34'40" EAST, ALONG THE NORTHWESTERLY LINE OF SAID RIGHT OF WAY, A DISTANCE OF 25.90 FEET TO A POINT OF CURVE TO THE RIGHT, HAVING A RADIUS OF 345.00 FEET, A CHORD BEARING OF NORTH 26°46'12" EAST, AND A CHORD DISTANCE OF 26.40 FEET; THENCE RUN ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 04°23'04", A DISTANCE OF 26.40 FEET TO A POINT OF CUSP; THENCE, DEPARTING SAID RIGHT OF WAY, RUN SOUTH 38°38'18" WEST, A DISTANCE OF 223.85 FEET TO A POINT ON THE SOUTH LINE OF AFORESAID FREEDOM TABERNACLE INTERNATIONAL OUTREACH MINISTRIES, INC. Property; THENCE RUN NORTH 89°23'14" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 63.47 FEET; THENCE RUN SOUTH 38°38'18" WEST, A DISTANCE OF 461.19 FEET; THENCE RUN SOUTH 47°15'40" EAST, A DISTANCE OF 200.51 FEET; THENCE RUN NORTH 38°38'18" EAST, A DISTANCE OF 802.05 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 192; THENCE RUN NORTH 47°15'25" WEST, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 65.10 FEET TO THE POINT OF BEGINNING.

CONTAINING 3.02 ACRES MORE OF LESS.

AND

BEGIN AT THE SOUTHEAST CORNER OF FREEDOM TABERNACLE INTERNATIONAL OUTREACH MINISTRIES, INC. Property, AS DESCRIBED BY WARRANTY DEED, RECORDED IN OFFICIAL RECORDS BOOK 1490, PAGE 2478, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 00°16'23" EAST, ALONG THE EAST LINE OF SAID Property A DISTANCE OF 147.86 FEET; THENCE RUN SOUTH 38°38'18" WEST, A DISTANCE OF 187.70 FEET TO A POINT ON THE SOUTH LINE OF SAID Property; THENCE RUN SOUTH 89°23'14" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 116.51 FEET TO THE POINT OF BEGINNING.

CONTAINING 8.613 SQUARE FEET OR 0.198 ACRES, MORE OR LESS.

AND

BEGIN AT THE SOUTHWEST CORNER OF TRACT L, MAGIC LANDINGS, AS RECORDED IN PLAT BOOK 11, PAGES 184-187 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE RUN NORTH 00°06'17" EAST ALONG THE WEST LINE OF SAID TRACT L, A DISTANCE OF 106.09 FEET; THENCE DEPARTING SAID WEST LINE, RUN SOUTH 56°32'13" WEST, A DISTANCE OF 176.57 FEET; THENCE RUN SOUTH 53°02'19" EAST, A DISTANCE OF 103.85 FEET; THENCE RUN NORTH 50°02'57" EAST, A DISTANCE OF 83.65 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.25 ACRES, MORE OR LESS.

AND

A PARCEL OF LAND BEING A PORTION OF TRACT L, MAGIC LANDINGS, AS RECORDED IN PLAT BOOK 11, PAGES 184-187 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE MOST EASTERLY CORNER OF SAID TRACT L, THENCE RUN NORTH 53°13'55" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT L, A DISTANCE OF 100.00 FEET, THENCE DEPARTING SAID NORTHEASTERLY LINE RUN SOUTH 36°46'05" WEST A DISTANCE OF 25.39 FEET TO THE POINT OF CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 200.00 FEET, A CHORD BEARING OF SOUTH 53°33'30" WEST, A CHORD DISTANCE OF 115.55 FEET; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 33°34'50", AN ARC DISTANCE OF 117.22 FEET; THENCE RUN SOUTH 70°20'55" WEST, A DISTANCE OF 249.79 FEET TO A POINT ON THE WESTERLY LINE OF SAID TRACT L; THENCE RUN SOUTH 00°08'25" EAST ALONG SAID WEST LINE, A DISTANCE OF 106.09 FEET TO THE SOUTHWEST CORNER OF SAID TRACT L; THENCE RUN NORTH 70°20'55" EAST ALONG THE SOUTHERLY LINE OF SAID TRACT L, A DISTANCE OF 285.22 FEET TO THE POINT OF CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 300.00 FEET, A CHORD BEARING OF NORTH 53°33'30" EAST, A CHORD DISTANCE OF 173.32 FEET; THENCE RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID SOUTHERLY LINE, THROUGH A CENTRAL ANGLE OF 33°34'50", AN ARC DISTANCE OF 175.83 FEET; THENCE RUN NORTH 36°46'05" EAST ALONG SAID SOUTHERLY LINE, A DISTANCE OF 25.39 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.01 ACRES, MORE OR LESS.

LESS AND EXCEPT THE PROPERTY DESCRIBED IN APPENDIX A TO THE LEASE AGREEMENT

**APPENDIX B**  
**FORM OF LEASE AGREEMENT**

**DRAFT DATED ~~5/167/05/17~~—TO AGENDAS**

**FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER  
LEASE AGREEMENT**

**By and Between**

**OSCEOLA COUNTY, FLORIDA**

**AND**

**UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**

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**FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER  
LEASE AGREEMENT**

**THIS FLORIDA ADVANCED MANUFACTURING RESEARCH CENTER LEASE AGREEMENT** (this "Lease Agreement") is made and entered into by and among Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County"), and the University of Central Florida Board of Trustees ("UCF"). Osceola County and UCF are referred to collectively herein as the "Parties."

**W I T N E S S E T H:**

**WHEREAS**, Osceola County and UCF have entered into an Amended and Restated Florida Advanced Manufacturing Research Center Development Agreement (the "Restated Development Agreement"), providing for construction and operation of a center for technology research and development (the "R&D Center") on certain property owned by Osceola County (the "R&D Center Site") which will further the research mission of UCF, promote economic diversification, high-technology research and innovation, and foster a vibrant advanced sensor and other advanced manufacturing industry in Osceola County; and

**WHEREAS**, the R&D Center has been constructed by Osceola County, as required by the Restated Development Agreement; and

**WHEREAS**, the Restated Development Agreement requires Osceola County and UCF to enter into this Lease Agreement for the purpose of setting forth the conditions under which UCF will lease the R&D Site from Osceola County;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and agreements contained herein and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Parties mutually undertake, promise and agree for themselves, their successors and assigns as follows:

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATION**

**SECTION 1.01. RECITALS.** The Parties agree that the foregoing recitals and the recitals set forth in the Restated Development Agreement are true and correct and by this reference incorporated and made a part of this Lease Agreement.

**SECTION 1.02. DEFINITIONS.** As used in this Lease Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires:

**"Additional Rent"** means any and all sums of money or other charges required to be paid by UCF under this Lease Agreement other than Base Rent, regardless how designated hereunder, and shall include any applicable sales tax thereon.

**"Advanced Treatment Building"** means the building constructed by Osceola County on the R&D Center Site for the AWNS and ROWS.

**"Advanced Treatment Equipment"** means the AWNS, AWNS Main, ROWS and ROWS Main, including renewals, replacements and expansions.

**"Advanced Treatment Facilities"** means the Advanced Treatment Building and the Advanced Treatment Equipment.

**"AWNS"** means an acid waste neutralization and pH adjustment treatment system having an approximate capacity of 95 gallons per minute but no less than 375 gallons per minute instantaneous capacity.

**"AWNS Main"** means a specialty post-process water main which shall run from a point outside of the R&D Center Building to the AWNS.

**"Base Rent"** means the annual rent for the Leased Premises, as set forth in Section 3.02 hereof.

**"Board"** means the Board of County Commissioners of Osceola County.

**"Bond Counsel"** means a firm of attorneys, selected by Osceola County, whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

**"Consortium"** means ICAMR, Inc., a Florida nonprofit corporation formed by UCFRF to foster development of a high-impact industry center for the promotion of cooperative research and development by university, industry and government partners to accelerate advancement in smart sensor development and manufacturing.

**"Contractor"** means general contractors or construction managers entering onto the Leased Premises for the purpose of performing construction services.

**"County Manager"** means the chief executive officer of Osceola County.

**"Design Professional"** means persons or entities entering onto the Leased Premises for the purpose of providing engineering or architectural services.

**"EDA" means the United States Department of Commerce, Economic Development Administration.**

**"EDA Grant" means the financial assistance award for equipment and tool installation from EDA (Osceola County, FL Award 04-01-07149).**

**"Environmental Law"** means any and all federal, state and local laws, statutes, ordinances, rules, regulations, judgments, orders, decrees, permits, licenses or other governmental restrictions or requirements now or hereafter in effect with respect to the property and relating to the environment and/or hazardous substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Comprehensive Environmental Response, Compensation and Liability Act of 1986, as amended (42 U.S.C. §9601 et seq.), the Resource Conservation Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, as now or hereafter amended (42 U.S.C. §6901 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Clean Air Act, as amended (42 U.S.C. §7401 et seq.), the Clean Water Act, as amended (33 U.S.C. §1251 et seq.), and the Toxic Substances and Control Act, as amended (15 U.S.C. §2601 et seq.).

**"Hazardous Substance"** means any substance, material or waste which is regulated or governed by any Environmental Law including without limitation (A) any substance, material or waste defined, used or listed as "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "hazardous material", "toxic substance" or similar or related term as defined, used or listed in any Environmental Law; (B) any asbestos or asbestos containing materials; (C) any underground storage tanks or similar facilities; (D) petroleum, petroleum-based substances or polychlorinated biphenyl; and (E) any additional substances or materials which are hazardous or toxic substances under any Environmental Law.

**"Invitee"** means persons entering onto the Leased Premises for the purpose of attending meetings, marketing events, public ceremonies, educational sessions and similar events who do not have unescorted access to the cleanroom or Tools and do not handle Hazardous Substances.

**"Lease Agreement"** means this Florida Advanced Manufacturing Research Center Lease Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

**"Lease Term"** means the term set forth in Section 3.03 hereof.

**"Leased Premises"** means the R&D Center Site and the R&D Center.

**"Material Alteration"** shall mean any alteration which: (A) is structural in nature or otherwise affects the strength of the R&D Center; (B) affects the mechanical, electrical, sanitary (including plumbing), or other services of the R&D Center; or (C) has an aggregate cost greater than \$25,000.00.

**"Occupant"** means any R&D Center Manager, Contractor, Design Professional, Tradesman, R&D Participant or other occupant of the Leased Premises that is not an Invitee.

**"Occupant Contamination"** means any contamination of the Leased Premises by Hazardous Substances caused by the act or omission of an Occupant or an Occupant's Representatives.

**"Occupant Representatives"** means any of an Occupant's officers, directors, employees, representatives, agents, contractors, subcontractors, sublessees, concessionaires, invitees.

**"Osceola County"** means Osceola County, a charter county and a political subdivision of the State of Florida.

**"Osceola Default"** means the occurrence of an event described in Section 6.01(E) hereof.

**"Other Project Cost"** means personnel cost, travel expenses, supplies (including but not limited to specialized gasses and routine tools) associated with the design, construction and operation of the R&D Center. The term "Other Project Cost" does not include PO&M Cost or the cost of acquiring and installing Tools.

**"Parties"** means Osceola County, UCF and their respective permitted successors and assigns.

**"PO&M Cost"** means the cost of operation and maintenance of the R&D Center. The term "PO&M Cost" does not include Other Project Cost or the cost of acquiring and installing Tools.

**"Prime Rate"** means (A) the prime rate of interest as published from time to time by The Wall Street Journal (with such rate to change when and as the published rate changes), plus four percent per annum, or (B) the highest non-usurious rate permitted by applicable law, whichever is less.

**"R&D Building"** means the building to be constructed by Osceola County pursuant to Article IV of the Restated Development Agreement as a center for technology research and development.

**"R&D Center"** means the R&D Building, the Advanced Treatment Facilities and the Tools, unless the agreement with the grant provider or supplier for such Tools provides that such Tools will not become the property of Osceola County.

**"R&D Center Manager"** means the Consortium or any other party managing and operating the R&D Center under a management services agreement entered into pursuant to Section 4.02 hereof.

**"R&D Center Site"** means approximately 10 acres of real property to be leased by Osceola County to UCF pursuant to this Lease Agreement, as more specifically described in Appendix A.

**"R&D Participants"** means persons or entities, other than Invitees, performing research and development work on the Leased Premises.

**"Restated Development Agreement"** means Amended and Restated Florida Advanced Manufacturing Research Center Development Agreement, by and among Osceola County and UCF, joined for limited purposes by Florida High Tech Corridor Council, Inc.

**"ROWS"** means a reverse osmosis or similar system which treats potable water and yields water, which will then be further treated by the Operator within the R&D Center, and used for sophisticated commercial applications or manufacturing processes, having a minimum capacity of 100 gallons per minute.

**"ROWS Main"** means a specialty water main from the Advanced Treatment Building to the R&D Center.

**"Sales Tax Bonds"** means the bonds issued by Osceola County pursuant to Section 3.04 of the Restated Development Agreement to provide funds for design and construction of the R&D Center, or any obligations issued to refund such bonds.

**"System Development Charges"** means the water, wastewater and reuse water capacity charges imposed by TWA on all new growth and development by local legislation. To avoid doubt, such term includes the supplemental or alternative TWA system capacity demand determination presented by the separate system development surcharge, computed and charged in the manner described in Section 3.12(C) hereof; and, does not include the capital reimbursement surcharge to recover the TWA funding advance presented by the TWA Funding Obligation for the Advanced Treatment Facilities, computed and charged in the manner described in Section 3.02(D) hereof.

**"Tools"** means specialized equipment for research and development to be acquired and installed in the R&D Building.

**"Tradesman"** means any persons or entities entering onto the Leased Premises for the purpose of providing services relating to maintenance, alterations or improvements to the Leased Premises, including electrical, HVAC, plumbing, painting, janitorial or similar services.

**"TWA"** means the Tohopekaliga Water Authority, an independent special district, established and created by special act of the Florida Legislature.

**"TWA Funding Obligation"** means the capital contribution of TWA in an amount not to exceed \$3,200,000 for construction of the Advanced Treatment Facilities at the R&D Center.

**"UCF"** means the University of Central Florida Board of Trustees.

**"UCF Contamination"** means any contamination of the Leased Premises by Hazardous Substances caused by the act or omission of UCF or UCF's Representatives.

**"UCF Default"** means the occurrence of an event described in Section 6.01(A) hereof.

**"UCF Representatives"** means any of UCF's officers, directors, employees, authorized representatives or agents. The term "UCF Representatives" does not include (A) Osceola County or its employees or agents, contractors, subcontractors, concessionaires, invitees or the general public, or (B) any Occupant or Occupant Representatives.

**"UCFRF"** means the University of Central Florida Research Foundation, Inc., a Florida nonprofit corporation and a UCF direct support organization within the definition of Section 1004.28, Florida Statutes.

**SECTION 1.03. INTERPRETATION.** Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein", "hereunder", "hereby", "hereof", and any similar terms, shall refer to this Lease Agreement; the term "heretofore" shall mean before the date this Lease Agreement is executed; and the term "hereafter" shall mean after the date this Lease Agreement is executed. Whenever the word "including" is used herein, it shall be deemed to mean "without limitation." Each recital, covenant, agreement, representation and warranty made by a Party herein shall be deemed to have been material and to have been relied on by the other Party to this Lease Agreement. All Parties have participated in the drafting and preparation of this Lease Agreement, and the provisions hereof shall not be construed for or against any Party by reason of authorship.

**SECTION 1.04. SECTION HEADINGS.** Any headings preceding the texts of the several Sections of this Lease Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Lease Agreement nor affect its meaning, construction or effect.

## **ARTICLE II REPRESENTATIONS**

**SECTION 2.01. REPRESENTATIONS OF OSCEOLA COUNTY.** Osceola County makes the following representations as the basis for the undertakings on the part of UCF herein contained:

(A) Osceola County is a charter county and political subdivision of the State of Florida, and has all requisite power and authority to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder and thereunder.

(B) Osceola County is not in default under any provisions of applicable law material to the performance of its obligations under this Lease Agreement.

(C) Osceola County has duly authorized the execution and delivery of this Lease Agreement, and assuming the due authorization, execution and delivery by UCF, this Lease Agreement constitutes a valid and legally binding obligation of Osceola County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(D) The authorization, execution and delivery of this Lease Agreement, and the compliance by Osceola County with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State of Florida relating to Osceola County or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which Osceola County is subject or by which it is bound.

(E) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of Osceola County, threatened against or affecting Osceola County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Lease Agreement, or any agreement or instrument to which Osceola County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(F) Osceola County is fee simple owner, legal and equitable, of the R&D Center and of the R&D Center Site, as more particularly described in Appendix A.

(G) Osceola County has no knowledge regarding and has received no written notice of any alleged violation of any law, ordinance, order, or regulation affecting the R&D Center Site issued by any governmental or quasi-governmental authority having jurisdiction over the R&D Center Site.

(H) Osceola County has not received a written summons, citation, directive, notice, complaint, or letter from the United States Environmental Protection Agency, the State of Florida

Department of Environmental Protection, or other federal, state, or local governmental agency or authority specifying any alleged violation of any environmental law, rule, regulation, or order at or on the R&D Center Site and, to the best of Osceola County's actual knowledge, information, and belief, the R&D Center Site is not currently under investigation for any such violation.

(I) To the best of Osceola County's knowledge, based on the Phase I Environmental Site Assessment prepared by Ardaman and Associates, Inc., dated July 20, 2012 and the Phase I Environmental Assessment Report Update prepared by Geotechnical and Environmental Consultants, Inc., dated April 2017, the R&D Center Site is in compliance with and there is no violation of any applicable law, ordinance, order, or regulation with respect to any Hazardous Substance, as defined in the Lease Agreement.

(J) To the best of Osceola County's knowledge, based on the Phase I Environmental Site Assessment prepared by Ardaman and Associates, Inc., dated July 20, 2012 and the Phase I Environmental Assessment Report Update prepared by Geotechnical and Environmental Consultants, Inc., dated April 2017, the R&D Center Site does not contain any historical, archaeological, architectural, or other cultural artifacts, relics, vestiges, remains, or objects of antiquity or protected or endangered species.

**SECTION 2.02. REPRESENTATIONS OF UCF.** UCF makes the following representations as the basis for the undertakings on the part of Osceola County herein contained:

(A) UCF is a member institution of the State University System of Florida and has all requisite power and authority to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder and thereunder.

(B) UCF is not in default under any provisions of applicable law material to the performance of its obligations under this Lease Agreement.

(C) UCF has duly authorized the execution and delivery of this Lease Agreement, and assuming the due authorization, execution and delivery by Osceola County, this Lease Agreement constitutes a valid and legally binding obligation of UCF, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(D) The authorization, execution and delivery of this Lease Agreement, and the compliance by UCF with the provisions hereof will not conflict with or constitute a material breach of, or default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State of Florida relating to UCF or its affairs, or any ordinance, resolution, agreement, mortgage, lease or other instrument to which UCF is subject or by which it is bound.

(E) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of UCF, threatened against or affecting UCF, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Lease Agreement, or any agreement or instrument to which UCF is a



party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

### **ARTICLE III**

#### **GENERAL LEASE TERMS**

##### **SECTION 3.01. LEASE.**

(A) For and in consideration of the covenants and obligations specified in this Lease Agreement, Osceola County leases the Leased Premises to UCF and UCF leases the Leased Premises from Osceola County, all subject to the conditions and limitations herein expressed.

(B) UCF acknowledges that UCF is familiar with the condition of the Leased Premises through review of **[documents to come]** and a visual inspection on **[to come]** and accepts the Leased Premises in its condition at the beginning of the Lease Term, "AS IS, WHERE IS, WITH ALL FAULTS".

(C) Except as otherwise provided herein, UCF shall have sole and exclusive rights pertaining to the sales, lease, placement, size, form and content of all exterior and interior signage to be located on the R&D Center Site, subject to compliance with all applicable County regulations. All signage shall be purchased, installed, maintained and, if necessary, replaced by UCF at its sole expense.

(D) UCF shall be permitted to make such alterations to the Leased Premises as UCF deems necessary or convenient to operate the Leased Premises for the purpose described in Article IV hereof.

(E) Osceola County shall retain the right to grant utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements or licenses to others over, under, through, across or on the R&D Center Site but only to the extent reasonably necessary to provide services to the R&D Center Site, the property described in Appendix B of the Restated Development Agreement or other property adjacent thereto; provided, however, that such grant and any use permitted thereby (1) is not materially detrimental to the use or operation of the R&D Center for the purposes described in the Restated Development Agreement, and (2) will not weaken, diminish or impair lateral or subjacent support to the R&D Building to be constructed pursuant to the Restated Development Agreement.

##### **SECTION 3.02. RENT.**

(A) The Base Rent will be \$1.00 per year.

(B) This Lease Agreement is what is commonly called a "triple net lease," it being understood that Osceola County shall receive all Base Rent and Additional Rent, as provided in this Lease Agreement, free and clear of any and all impositions, encumbrances, charges, obligations or expenses of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the Base Rent and Additional Rent required by this Lease Agreement, except as expressly provided herein to the contrary, UCF shall pay to the parties respectively entitled thereto all taxes, assessments, premiums for insurance required by Section 3.13 hereof, operating charges, maintenance charges, construction costs and any other charges, costs and expenses which arise or may be contemplated under any provisions of this Lease

Agreement during the term hereof. All of such charges, costs and expenses shall constitute Additional Rent, and upon the failure of UCF to pay any such costs, charges or expenses, Osceola County shall have the same rights and remedies as otherwise provided in this Lease Agreement for the failure of UCF to pay Base Rent. With the exception of termination for an Osceola Default, or as otherwise set forth herein, it is the intention of the Parties hereto that this Lease Agreement shall not be terminable for any reason by UCF and that, but for termination for an Osceola Default, or as otherwise set forth herein, UCF shall in no event be entitled to any abatement of or reduction in Base Rent or Additional Rent payable under this Lease Agreement except as herein expressly provided. Any present or future law to the contrary shall not alter this agreement of the Parties.

**SECTION 3.03. TERM.** The term of this Agreement shall commence on the date the R&D Center reaches Substantial Completion, as defined in the Restated Development Agreement, and extend for a period of forty years; provided however, that following the date on which the Sales Tax Bonds and any obligations issued by Osceola County to refund the Sales Tax Bonds have been retired, Osceola County shall execute and deliver all documents necessary to convey the R&D Site, the R&D Center and all Tools then owned by Osceola County to UCF, which shall not be deemed a release subject to Section 3.06(B). Any and all costs related to such conveyance shall be paid by UCF.

**SECTION 3.04. MAINTENANCE REQUIREMENTS.**

(A) UCF shall keep the interior and exterior of the Leased Premises (including, but not limited to the foundations, roof and structural portions of the walls) and all furniture, fixtures and equipment (excluding research equipment other than Tools) in condition comparable to other research facilities, including making necessary replacements, improvements, additions and substitutions thereto and, in connection therewith, and formulating and implementing preventative maintenance and other programs designed to efficiently and effectively maintain the condition of the Leased Premises, including all "back of the house" areas, HVAC serving the R&D Building, fire and life safety, electrical, plumbing and other building systems. Without limiting the foregoing, UCF shall negotiate, enter into and administer maintenance contracts for elevators, major life safety systems, chillers, boilers and other major HVAC equipment and such other equipment and systems as UCF determines appropriate, in its sole and absolute discretion. All such repair, maintenance replacements, improvements and substitutions shall be at UCF's sole cost and expense.

(B) If and only as required by Section 255.05, Florida Statutes, UCF shall provide, or cause its contractors to provide, a payment and performance bond. All replacements and restorations will be in quality and class equal to or better than the original R&D Center located on the R&D Center Site.

**SECTION 3.05. ALTERATIONS AND IMPROVEMENTS.**

(A) UCF may make, at its sole cost and expense, alterations and improvements to the R&D Center consistent with its use as a technology research and development center, and which are not Material Alterations, without the consent of Osceola County, provided that UCF provides Osceola County with prior written notice thereof. Material Alterations shall require prior written consent from Osceola County, which shall not be withheld unreasonably. UCF will design and

construct any such alterations or improvements using its own funds or funds provided to UCF by Occupants or other third parties, in compliance with all applicable County ordinances and codes and state and federal statutes, rules and regulations. Any such alterations or improvements shall be completed in a good, workmanlike and lien-free manner.

(B) UCF shall select and engage qualified architects, engineers and other necessary professionals, and shall cause the preparation of construction documents for the alterations or improvements and update the Building Information Model (BIM) prepared during construction of the R&D Center. The construction documents shall detail the requirements for the construction of such alterations or improvements, based on materials and systems selected by UCF, and shall be compliant with all codes, laws or regulations which have been enacted at the time of their preparation. Following preparation and peer review of the construction documents, UCF will provide a copy to the County Manager, or his designee, for review. If the County Manager, or his designee, fails to state his approval or disapproval of the construction documents, in writing, within ten business days of the date they are provided by UCF for review, such documents shall be deemed to have been approved. Construction of the alterations or improvements shall be in accordance with these construction documents as approved by UCF and the County Manager, or his designee.

(C) UCF shall obtain all necessary permits, approvals, licenses required for the construction, use and occupancy of the alterations or improvements. Promptly upon compliance with all applicable conditions of approval, all County permits required for construction of the alterations or improvements shall be granted to UCF. If required by Section 255.05, Florida Statutes, UCF shall provide, or cause its contractor to provide, a payment and performance bond.

(D) Upon receipt of a written request from Osceola County, UCF shall assign in writing to Osceola County all rights which UCF may then possess against (1) any parties who prepared the construction documents for the alterations or improvements, and (2) all contractors, subcontractors and material suppliers for the alterations or improvements, reserving to UCF the right to subsequently prosecute any claims against said parties that may arise as a result of any claims, action, loss, damage or expense sustained by UCF arising out of any of the construction documents for the alterations or improvements or the construction of the alterations or improvements.

(E) Osceola County and UCF intend that any alterations and improvements made pursuant to this Section shall become part of the Leased Premises during the Lease Term and owned by Osceola County if this Lease Agreement is terminated by Osceola County pursuant to Section 6.01 hereof.

#### **SECTION 3.06. TOOLS AND OTHER REMOVABLE TRADE FIXTURES.**

(A) Tools installed in the R&D Building prior to the Lease Term pursuant to the Restated Development Agreement or during the Lease Term pursuant to this subsection (A) shall be the property of Osceola County become part of the Leased Premises during the Lease Term. Upon termination of this Lease Agreement by Osceola County pursuant to Section 6.01 hereof for a UCF Default, Tools shall remain the property of Osceola County.

(B) Osceola County shall release any Tool installed pursuant to the Restated Development Agreement or the foregoing subsection (A) from the Leased Premises and transfer ownership of the same to UCF pursuant to Section 125.38, Florida Statutes, if UCF replaces such with a Tool of comparable value and utility. UCF may petition the County Manager to release any such Tool from the Leased Premises, providing a written description of the Tool to be released and the replacement Tool of comparable value and utility. If the County Manager determines that UCF's replacement proposal meets the requirements of this subsection (B), Osceola County shall execute such reasonable documents and instruments of conveyance as may be required by Section 125.38, Florida Statutes, to release such Tool from the Leased Premises and transfer ownership to UCF. In such event, the replacement Tool shall become part of the Leased Premises during the remaining Lease Term.

(C) UCF may acquire and install, or permit the acquisition and installation of, additional Tools and other removable trade fixtures in the R&D Building using its own funds or funds provided to UCF by the Occupants or other third parties; provided that such installation does not adversely affect compliance with the applicable cleanroom standards for the cleanroom research/fabrication space in which such Tools or other removable trade fixtures are installed. Tools and other removable trade fixtures installed in the R&D Building during the Lease Term pursuant to this subsection shall be the property of UCF or the Occupant or other third party providing such Tool or removable trade fixtures.

#### **SECTION 3.07. EXISTING HAZARDOUS SUBSTANCES.**

(A) Osceola County warrants and represents that all information provided and stated in UCF's co-application with Osceola County for the ~~U.S. Department of Commerce Financial Assistance Award application and subsequent contract~~EDA Grant regarding contamination from toxic and hazardous substances, the description of the R&D Center Site, and statements relating to eminent domain, is accurate, and Osceola County shall hold harmless, release, and indemnify UCF, its Board of Trustees, officers, employees, and agents from and against any liabilities, damages, causes of action, judgments, liens, penalties, fines, losses, costs, and expenses (including, without limitation, reasonable attorneys' fees and other expenses of litigation) resulting from, arising out of, or in connection with the information and statements set forth in UCF's co-application with Osceola County for the ~~U.S. Department of Commerce Financial Assistance Award application and/or the subsequent contract~~EDA Grant.

(B) If Hazardous Substances are discovered on the Leased Premises that were in existence prior to the term of this Lease Agreement, then Osceola County, at its sole cost and expense, shall promptly and diligently remove such Hazardous Substances from the Leased Premises or the groundwater underlying the Leased Premises. However, Osceola County shall not take any required remedial action in or about the Leased Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims without first notifying UCF of Osceola County's intention to do so and affording UCF the opportunity to appear, intervene or otherwise appropriately assert and protect its interests with respect thereto. Notwithstanding the foregoing, Osceola County may take remediation action without providing prior written notice to UCF of the required action if such action is necessary in order to prevent imminent danger to property or persons. Osceola County shall cause any and all Hazardous Substances removed from the Leased Premises as part of the required remediation of Hazardous Substances are discovered

on the Leased Premises that were in existence on the Effective Date to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Osceola County shall promptly deliver to UCF copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Leased Premises as part of Osceola County's remediation of any such Hazardous Substances.

(C) In addition to all other rights and remedies of UCF hereunder, if Osceola County does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Hazardous Substances discovered on the Leased Premises that were in existence prior to the term of this Lease Agreement, and thereafter commence the required remediation of such Hazardous Substances within thirty days after UCF has reasonably approved Osceola County's remediation plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved remediation plan, then UCF, at its sole discretion, shall have the right, but not the obligation, to cause said remediation to be accomplished, and Osceola County shall reimburse UCF within fifteen business days of UCF's demand for reimbursement of all amounts reasonably paid by UCF (together with interest on said amounts at the Prime Rate until paid), when said demand is accompanied by proof of payment by UCF of the amounts demanded.

(D) All representations, warranties and obligations made or given under this Section shall survive the expiration or earlier termination of this Lease Agreement.

#### **SECTION 3.08. HAZARDOUS SUBSTANCES – UCF.**

(A) UCF hereby agrees that UCF Representatives shall not use, generate, manufacture, refine, produce, process, store or dispose of, on, under or about the Leased Premises or transport to or from the Leased Premises in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting Hazardous Substances, except in compliance with applicable Environmental Law. Furthermore, UCF shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by UCF or any UCF Representatives of Hazardous Substances on the Leased Premises, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Leased Premises.

(B) If a UCF Contamination shall occur at any time during the Lease Term, then UCF, at its sole cost and expense, shall promptly and diligently remove such Hazardous Substances from the Leased Premises or the groundwater underlying the Leased Premises. However, UCF shall not take any required remedial action in response to any UCF Contamination in or about the Leased Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any UCF Contamination without first notifying Osceola County of UCF's intention to do so and affording Osceola County the opportunity to appear, intervene or otherwise appropriately assert and protect Osceola County's interest with respect thereto. Notwithstanding the foregoing, UCF may take remediation action without providing Osceola County with prior written notice of the required action if such action is necessary in order to prevent imminent danger to property or persons. In addition to all other rights and remedies of Osceola County hereunder, if UCF does not promptly and diligently take all steps to prepare and obtain all necessary approvals

of a remediation plan for any UCF Contamination, and thereafter commence the required remediation of any Hazardous Substances released or discharged in connection with a UCF Contamination within thirty days after Osceola County has reasonably approved UCF's remediation plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved remediation plan, then Osceola County, at its sole discretion, shall have the right, but not the obligation, to cause said remediation to be accomplished, and UCF shall reimburse Osceola County within thirty business days of Osceola County's demand for reimbursement of all amounts reasonably paid by Osceola County (together with interest on said amounts at the Prime Rate until paid), when said demand is accompanied by proof of payment by Osceola County of the amounts demanded. UCF shall promptly deliver to Osceola County copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Leased Premises as part of UCF's remediation of any UCF's Contamination.

(C) UCF shall cause any and all Hazardous Substances removed from the Leased Premises as part of the required remediation of UCF's Contamination to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes.

(D) Each Party hereto shall immediately notify the other Party in writing of: (1) any enforcement, clean-up, removal or other governmental or regulatory action instituted, contemplated or threatened concerning the Leased Premises pursuant to any Environmental Law; (2) any claim made or threatened by any person against the notifying Party or the Leased Premises relating to damage contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substance on or about the Leased Premises; and (3) any reports made to any environmental agency arising out of or in connection with any Hazardous Substance in or removed from the Leased Premises including any complaints, notices, warnings or asserted violations in connection therewith, all upon receipt by the notifying Party of actual knowledge of any of the foregoing matters. The notifying Party shall also supply to the notice recipient as promptly as possible, and in any event within five business days after notifying Party first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Leased Premises or UCF's use thereof.

(E) UCF assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of UCF and its officers, employees, servants, and agents thereof while acting within the scope of their employment by UCF. Osceola County assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of Osceola County and its officers, employees, servants, and agents thereof while acting within the scope of their employment by Osceola County. UCF and Osceola County agree that nothing contained herein shall be construed or interpreted as (x) denying to either Party any remedy or defense available to such Party under the laws of the State of Florida, (y) the consent of the State of Florida or its agents or agencies to be sued, or (z) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.

(F) All representations and obligations made or given under this Section shall survive the expiration or earlier termination of this Lease Agreement.

**SECTION 3.09. HAZARDOUS SUBSTANCES – OCCUPANTS.**

(A) UCF hereby agrees that it shall prohibit all Occupant Representatives from using, generating, manufacturing, refining, producing, processing, storing or disposing of, on, under or about the Leased Premises or transport to or from the Leased Premises in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting Hazardous Substances, except in compliance with applicable Environmental Law. Furthermore, UCF shall require each Occupant, at the Occupant's own expense, to procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by the Occupant or any Occupant Representatives of Hazardous Substances on the Leased Premises, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Leased Premises.

(B) If an Occupant Contamination shall occur at any time during the Lease Term, then UCF shall require each Occupant, at the Occupant's sole cost and expense, to promptly and diligently remove such Hazardous Substances from the Leased Premises or the groundwater underlying the Leased Premises. However, the Occupant shall not take any required remedial action in response to any Occupant Contamination in or about the Leased Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Occupant Contamination without first notifying UCF and Osceola County of the Occupant's intention to do so and affording UCF and Osceola County the opportunity to appear, intervene or otherwise appropriately assert and protect UCF's and Osceola County's respective interests with respect thereto. Notwithstanding the foregoing, an Occupant may take remediation action without providing UCF and Osceola County with prior written notice of the required action if such action is necessary in order to prevent imminent danger to property or persons. In addition to all other rights and remedies of Osceola County hereunder, if an Occupant does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Occupant Contamination, and thereafter commence the required remediation of any Hazardous Substances released or discharged in connection with an Occupant Contamination within thirty days after UCF and Osceola County has reasonably approved the Occupant's remediation plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved remediation plan, then Osceola County, at its sole discretion, shall have the right, but not the obligation, to cause said remediation to be accomplished, and UCF shall require the Occupant to reimburse Osceola County within thirty business days of Osceola County's demand for reimbursement of all amounts reasonably paid by Osceola County (together with interest on said amounts at the Prime Rate until paid), when said demand is accompanied by proof of payment by Osceola County of the amounts demanded. UCF the Occupant to promptly deliver to Osceola County copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Leased Premises as part of the Occupant's remediation of any Occupant Contamination.

(C) UCF shall require the Occupant to have any and all Hazardous Substances removed from the Leased Premises as part of the required remediation of the Occupant Contamination to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes.



(D) UCF shall require each Occupant to assume any and all risks of personal injury and property damage attributable to (1) the negligent acts or omissions of the Occupant and its officers, employees, servants, and agents thereof while acting within the scope of their employment by the Occupant.

(E) All representations and obligations made or given under this Section shall survive the expiration or earlier termination of this Lease Agreement.

**SECTION 3.10. LIENS.**

(A) UCF shall not mortgage or otherwise encumber its interest in this Lease Agreement.

(B) UCF will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Leased Premises, any part thereof or upon UCF's leasehold interest, which arises out of the use or occupancy of the Leased Premises by UCF or by reason of any labor or materials furnished or claimed to have been furnished to UCF or by reason of any construction, addition, alteration or repair of any part of the Leased Premises by UCF. If any such lien is filed against the Leased Premises, UCF cause such lien or claim to be released or discharged with respect to the Leased Premises by payment or bonding within thirty days after notice of the filing thereof. If UCF fails to transfer or discharge the claim or lien, Osceola County may discharge or transfer the claim or lien to bond or other security and UCF shall pay Osceola County all amounts so incurred, together with interest at the Prime Rate. Nothing contained in this Lease Agreement shall be construed as constituting the consent or request of Osceola County, expressed or implied, to or for the performance by any contractor, laborer, materialman, or vendor of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Leased Premises or any part thereof. Notwithstanding anything to the contrary set forth in this Lease Agreement, in no event shall the interest of Osceola County in all or any part of the Leased Premises be subject to any construction, mechanics', materialmen's, laborers' or other statutory or common law lien for improvements or work made or done by or at the instance of UCF, whether or not the same shall be made or done with the consent of Osceola County or by agreement between UCF and Osceola County.

(C) UCF shall not be required, nor shall Osceola County have the right, to pay, discharge, or remove any charges, liens or encumbrances, or to comply with any legal requirements applicable to the Leased Premises, so long as UCF contests the existence, amount or validity of the matter in question by appropriate proceedings. This right of UCF to withhold performances while proceedings are pending shall apply only if UCF's proceedings effectively prevent any sale, forfeiture or loss of the Leased Premises or Osceola County's rights under this Lease Agreement. Nothing contained in this Section shall be deemed to relieve UCF from any obligation to pay the rent or other obligations hereunder not contested by UCF. Osceola County shall not be required to join in any contest by UCF pursuant to this Section unless the law or regulations then in effect require that the proceeding be brought by or in the name of Osceola County. In such event, Osceola County shall join the proceedings or permit them to be brought in its name; however, Osceola County will not be subjected to any liability for the payment of any costs or expenses in connection with any contest or proceedings and UCF shall reimburse Osceola County for any of such costs and expenses. On or before the expiration or earlier termination of this Lease Agreement, UCF

shall cause any mortgages, deeds of trust, liens or encumbrances created by, through or under UCF to be fully released and discharged.

### **SECTION 3.11. TAXES, ASSESSMENTS AND OTHER CHARGES.**

(A) UCF shall pay, prior to delinquency: (1) all lawfully imposed taxes, assessments, levies, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are during the Lease Term, imposed or levied upon or assessed against (a) the Leased Premises, or any portion thereof, including the R&D Center Site and any improvements now or hereafter located on the R&D Center Site (including the R&D Center), (b) any Base Rent or any Additional Rent or other sum payable by UCF hereunder or (c) this Lease Agreement, the leasehold estate hereby created or which arises in respect of the operation, possession or use of the Leased Premises; and (2) all gross receipts or similar taxes (i.e., taxes based upon gross income which fail to take into account all customary deductions (e.g., depreciation and interest) relating to the Leased Premises) lawfully imposed or levied upon, assessed against or measured by any rent. If UCF fails to pay any of the foregoing before they become delinquent, Osceola County, after notice to UCF, may pay such delinquent taxes, assessments, levies, fees, fines, penalties and governmental charges, and all expenditures and costs incurred thereby shall be payable as Additional Rent hereunder within thirty days after such notice to UCF. UCF shall pay all lawfully imposed taxes and assessments in connection with the Leased Premises, and shall provide Osceola County with copies of all paid bills for taxes and assessments no later than thirty days after the date payment was due. Should UCF fail to pay any taxes, assessments, charges or any other amounts required to be paid by UCF pursuant to this Section, such failure shall constitute a UCF Default under this Lease Agreement and Osceola County, in addition to any other right provided to Osceola County under this Lease Agreement, may pay any such tax, assessment, charge or other amount and the sums so paid by Osceola County shall be paid by UCF to Osceola County as Additional Rent and shall accrue interest at the Prime Rate until paid by UCF. UCF's obligations under this Section shall survive the expiration or earlier termination of this Lease Agreement.

(B) All real estate taxes and assessments which are due and payable within one year after the expiration of the Lease Term shall be prorated as of the date of expiration of the Lease Term, on the basis of the fiscal year with respect to which such taxes or assessment are assessed. UCF shall be responsible for and shall pay the portion of such lawfully imposed taxes relating to the period through and including the expiration of the Lease Term.

(C) Any rebates, refunds, or abatements of taxes, assessments, charges, or other amounts paid under this section shall be refunded to UCF on a pro rata basis within thirty days of receipt thereof by Osceola County. Any such rebate, refund, or abatement realized by Osceola county prior to payment by UCF shall result in an immediate reduction in UCF's pro rata portion of the taxes, assessments, charges, or other amounts then due to Osceola County.

### **SECTION 3.12. UTILITIES.**

(A) At its sole cost and expense, UCF shall obtain and promptly pay, or require the R&D Center Manager to obtain and pay for all utility, communication and other services furnished to or consumed on the Leased Premises, including, but not limited to, electricity, cable, gas, water

and wastewater (including the amounts specifically described in the following subsections (B) through (G)), heat, telephone, janitorial, garbage collection, and all charges related to any of these services, including any tap-in, connection or impact fees. Should UCF or the R&D Center Manager fail to pay the charges for any utility, communication or other services to be paid by UCF or the R&D Center Manager pursuant to this Section, such failure shall constitute a UCF Default under this Lease Agreement and Osceola County, in addition to any other right provided to Osceola County under this Lease Agreement, may pay any such charges and the sums so paid by Osceola County shall be paid by UCF to Osceola County as Additional Rent and shall accrue interest at the Prime Rate until paid by UCF. UCF's obligations under this Section shall survive the expiration or earlier termination of this Lease Agreement to the extent charges accrue prior to the expiration or termination date.

(B) Water and wastewater rates, fees and charges will be directly billed by TWA to UCF or the R&D Center Manager on a non-discriminatory basis with regard to other similarly classified TWA users and customers. In addition, a separate monthly bill will be sent directly by TWA to UCF or the R&D Center Manager for the System Development Charges, computed in the manner described in the following subsection (C), and a separate capital surcharge for reimbursement of the TWA Funding Obligation, computed in the manner described in the following subsection (D). TWA has reserved the right to bill Osceola County for such rates, fees and charges, if the foregoing billing protocol becomes problematic for TWA or the use of termination of service to compel payment is determined not effective or practical by TWA. In such event, rates, fees or charges shall be payable by UCF as Additional Rent.

(C) UCF acknowledges and agrees that development of the R&D Center requires the payment of System Development Charges to TWA.

(1) The total amount of System Development Charges for the R&D Center upon commencement of the Lease Term (other than the Advanced Treatment Facilities) will be payable over a period of ten years with interest from the date of the first monthly utility bill sent concerning the R&D Center at the same interest rate per annum then established by TWA for all other such installment payments of System Development Charges for other customers. Such interest rate determination will be based upon the average for the most recent prior five years for 30-year maturity Treasury yield curve rates (determined each year as of October 1) based upon data obtained from the U.S. Department of the Treasury, or such other cost of funds index or rate used, or last used, by TWA for providing ratepayer financing of capital to serve new growth or development. TWA will also allow for such amounts to be amortized over a thirty-year period, with the balance due required to be paid in full as a final balloon payment at the end of the ten-year period.

(2) TWA will also allow for the alternative calculation of System Development Charges for the Advanced Treatment Facilities resulting from the R&D Center generating an increase in average flow over a period of twelve consecutive months not less than five percent over the flow for which System Development Charges have been previously paid under this subsection (2) and shall be calculated and paid as follows:

(a) System Development Charges for water capacity shall be based upon (i) then currently applicable TWA System Development Charge resolutions

for buildings and improvements which are characterized as new growth and development, and (ii) the estimated flows necessary to serve the ROWS (which estimated flows shall be determined and charged incrementally as the ROWS achieves capacity or is expanded for additional capacity).

(b) System Development Charges for wastewater capacity will be based upon (i) then currently applicable TWA System Development Charge resolutions for buildings and improvements which are characterized as new growth and development, and (ii) the estimated flows necessary to accept the additional wastewater resulting from operation of the R&D Center and delivered from the AWNS to TWA's wastewater collection system (which estimated flows shall be determined and charged incrementally as the AWNS achieves capacity or is expanded for additional capacity).

(c) System Development Charges for expansion or incremental flow increases arising from the operation of the R&D Center will be payable over a period of ten years with interest from the first monthly utility bill sent concerning the R&D Center following such expansion or incremental flow increase at the same interest rate per annum then established by TWA for all other such installment payments of System Development Charges for other customers.

(3) Monthly incremental payments of the System Development Charges shall be collected on a monthly utility bill from TWA, as described in this subsection (C). UCF will timely pay or require the R&D Center Manager to timely pay the System Development Charge.

(4) At its sole option, UCF may satisfy its obligation for the payment of the outstanding balance of System Development Charges by prepaying the remaining principal balance of such System Development Charges plus interest accrued to the date of such prepayment.

(D) The parties acknowledge and agree that TWA shall also be entitled to recover the amount of the TWA Funding Obligation through a capital reimbursement surcharge computed in the manner described in this subsection (D). The amount of TWA Funding Obligation actually funded by TWA, which shall not exceed \$3,200,000 for construction of the Advanced Treatment Facilities will be payable monthly as a capital reimbursement surcharge over ten years with interest from the first monthly utility bill sent concerning the R&D Center following Completion at the same interest rate per annum then established by TWA for installment payment of System Development Charges for all other TWA customers. Such interest rate determination will be based upon the average for the most recent prior five years for 30-year maturity Treasury yield curve rates (determined each year as of October 1) based upon data obtained from the U.S. Department of the Treasury, or such other cost of funds index or rate used, or last used, by TWA for providing ratepayer financing of capital to serve new growth or development. TWA will also allow for such amounts to be amortized over a thirty-year period, with the balance due required to be paid in full as a final balloon payment at the end of the ten-year period.

(E) UCF shall pay or require the R&D Center Manager to pay all monthly incremental payments associated with repayment of the amount of the TWA Funding Obligation, as described in the foregoing subsection (D), until the aggregate remaining principal balance, including interest due, has been reduced to zero.

(F) At its sole option, UCF may satisfy its obligation for the payment of the TWA Funding Obligation by prepaying the remaining principal balance of such TWA Funding Obligation, plus interest accrued to the date of such prepayment.

(G) UCF shall provide written notice of all of the foregoing rates, fees and charges to the R&D Center Manager and any other user of the R&D Center to be billed for such rates, fees and charges. Evidence of compliance with such covenant shall be provided upon request and by periodic certification from UCF to TWA.

(H) Terms for any future expansion of the Advanced Treatment Facilities, if any, shall be negotiated and agreed upon in writing by the Parties in advance. Such negotiation may be initiated by either Party, with initiation at such time as a particular need for future expansion is identified and reasonably anticipated. This subsection shall not be construed to require either Party to fund a future expansion project.

### **SECTION 3.13. INSURANCE – UCF.**

(A) At all times during the term of this Lease Agreement, UCF shall provide insurance for the R&D Center Site and the R&D Center, including the Advanced Treatment Facilities by:

(1) participating in the State Risk Management Trust Fund for General Liability and Workers Compensation Coverage with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment by UCF. Pursuant to this Fund, UCF shall provide and maintain during the term of this Agreement general liability coverage of \$200,000 each person and \$300,000 each occurrence; workers' compensation insurance to comply with applicable state workers' compensation, occupational disease laws and any rule promulgated thereunder; and fleet automobile liability coverage of \$200,000 per person and \$300,000 per occurrence for general liability and \$10,000 each person/occurrence for personal injury;

(2) maintaining General Liability insurance for the R&D Center premises, including the Advanced Treatment Facilities, with limits of \$1,000,000 per occurrence and aggregate; and

(3) maintaining umbrella or excess liability insurance for the R&D Center premises, including the Advanced Treatment Facilities, with limits of \$5,000,000 per occurrence and aggregate.

(B) The terms, exclusions to coverage, and other conditions of the insurance and coverages in subsection (A) shall be submitted to and administratively approved by TWA, in writing, prior to any binder or agreement to coverage with the insurer, and thereafter prior to any subsequent changes or modifications. Approval by TWA shall not be unreasonably withheld.

(C) At all such times regarding the Advanced Treatment Facilities and R&D Center, UCF or the R&D Center Manager shall furnish evidence of the insurance coverages described in this Section to TWA. Whenever legally possible, the certificates shall name TWA as an insured. Any certificates shall contain a standard insurance industry statement prohibiting cancellation, termination, or modification of the policy or reduction of coverage without first giving the County and TWA thirty (30) days prior written notice of such proposed action, except in the event of non-payment of the premium, for which the County and TWA shall be given ten (10) days prior written notice of such proposed action. Receipt of notice, certificates or other documentation of insurance which indicates reduction of coverage or less coverage than required, or failure to obtain coverages described in this Section, does not constitute a waiver by County of the obligation by UCF or the R&D Center Manager to fulfill the insurance requirements specified herein.

**SECTION 3.14. INSURANCE – COUNTY.** At all times during the term of this Lease Agreement, Osceola County shall maintain insurance against loss or damage by fire, and such other risks and hazards as are insurable under then available standard forms of fire insurance policies with extended coverage, to the Leased Premises, excluding contents of the R&D Building for the full ~~insurable~~replacement value thereof.

**SECTION 3.15. INSURANCE – R&D PARTICIPANTS.**

(A) To the extent permitted by law, UCF shall require all R&D Participants to:

(1) maintain commercial general liability insurance, including products and completed operations, bodily injury and property damage liability, contractual liability, independent contractors' liability and personal and advertising injury liability against claims occurring on, in, or about the Leased Premises, or otherwise arising under this Lease Agreement;

(2) maintain umbrella or excess liability insurance;

(3) maintain commercial automobile liability insurance, including coverage for the operation of owned, leased, hired and non-owned vehicles;

(4) maintain appropriate workers' compensation and employer's liability insurance as shall be required by and be in conformance with the laws of the State of Florida; and

(5) maintain professional liability insurance and self-insured employment practices liability coverage.

(B) Such liability insurance shall be maintained in the following minimum amounts:

(1) Commercial General Liability

\$1,000,000 per occurrence

\$1,000,000 personal and advertising injury

\$1,000,000 products-completed operations aggregate

(2) Automobile Liability

\$1,000,000 per accident (PI and PD combined single limit)

(3) Umbrella or Excess Liability

\$3,000,000 per occurrence and aggregate

(4) Workers Compensation

As required by law

(5) Professional Liability/Errors & Omissions

\$1,000,000 each occurrence/aggregate – to include entity coverage

(6) Crime Coverage

Type: Blanket Crime Bond Limit: \$500,000

(C) Any of the foregoing insurance coverage requirements may be eliminated or reduced if UCF and Osceola County both agree in writing that the undertakings of an R&D Participant on the Leased Premises (1) will not expose either UCF or Osceola County to risks insured by any specific coverage or coverages, or (2) the required minimum amount of such specific coverage or coverages significantly exceeds the maximum potential risk exposure of both UCF and Osceola County from the undertakings of such R&D Participant.

(D) All such insurance shall be written in form and substance satisfactory to UCF and Osceola County in their reasonable judgment by an insurance company of recognized responsibility authorized to do business in the State of Florida; provided that insurance companies with a rating from A. M. Best Company of A-7 or better shall be deemed satisfactory. UCF shall furnish evidence of such insurance to Osceola County. The certificate shall contain a standard insurance industry statement prohibiting cancellation, termination, or modification of the policy or reduction of coverage without first giving UCF and Osceola County thirty-days prior written notice of such proposed action, except in the event of non-payment of the premium, for which UCF and Osceola County shall be given ten-days written notice of such proposed action.

### **SECTION 3.16. INSURANCE – CONTRACTORS.**

(A) To the extent permitted by law, UCF shall require all Contractors to provide insurance in compliance with the following table, based on the aggregate value of the construction services to be provided:

	Over \$2,000,000	\$500,000 to \$2,000,000	\$100,000 to \$500,000	Under \$100,000
Minimum Insurer Rating	A.M. Best – A	A.M. Best – A-	No Requirement	No Requirement
Workers' Compensation	\$1M/\$1M/\$1M	\$1M/\$1M/\$1M	\$1M per occurrence	\$1M per occurrence
General Liability – Comprehensive	\$1M/\$2M aggregate	\$1M/\$2M aggregate	\$1M/\$1M aggregate	\$1M/\$1M aggregate
General Liability – Auto, Injury and Property Damage	\$1M each	\$1M each	\$1M Each or Bodily Injury \$300k per person and Property Damage \$100k per accident	\$1M Each or Bodily Injury \$300k per person and Property Damage \$100k per accident
General Liability – Excess Liability	\$10M	<\$750k = \$2M, >\$750k = \$10M	No Requirement	No Requirement
General Liability – Completed Operations	\$2M	\$2M	No Requirement	No Requirement
General Liability – Owner & Contractor/CM Protective Liability	\$1M/\$2M	\$1M/\$2M	No Requirement	No Requirement
General Liability – Contractual Liability	\$1M/\$2M aggregate	\$1M/\$2M aggregate	No Requirement	No Requirement
Builder's Risk	To be provided by Contractor	To be provided by Contractor	No Requirement	No Requirement

(B) Any of the foregoing insurance coverage requirements may be eliminated or reduced if UCF and Osceola County both agree in writing that the undertakings of a Contractor on the Leased Premises (1) will not expose either UCF or Osceola County to risks insured by any specific coverage or coverages, or (2) the required minimum amount of such specific coverage or coverages significantly exceeds the maximum potential risk exposure of both UCF and Osceola County from the undertakings of such Contractor.



(C) All such insurance shall be written in form and substance satisfactory to UCF and Osceola County in their reasonable judgment by an insurance company of recognized responsibility authorized to do business in the State of Florida. UCF shall furnish evidence of such insurance to Osceola County. The certificate shall contain a standard insurance industry statement prohibiting cancellation, termination, or modification of the policy or reduction of coverage without first giving UCF and Osceola County thirty-days prior written notice of such proposed action, except in the event of non-payment of the premium, for which UCF and Osceola County shall be given ten-days written notice of such proposed action.

### **SECTION 3.17. INSURANCE – TRADESMEN AND DESIGNERS.**

(A) To the extent permitted by law, UCF shall require all Tradesmen and Design Professionals to provide insurance in compliance with the following table, based on the aggregate value of the construction services to be provided:

	Tradesmen	Design Professionals
Minimum Insurer Rating	No Requirement	No Requirement
Workers' Compensation	\$1M per occurrence	\$1M/\$1M/\$1M
General Liability – Comprehensive	\$1M/\$2M aggregate	\$1M/\$2M aggregate
General Liability – Auto, Injury and Property Damage	\$1M Combined Bodily Injury and Property Damage	\$1M Combined Each Accident
General Liability – Excess Liability	\$1M	\$1M
General Liability – Completed Operations	\$1M	\$2M aggregate
Medical Expense	\$5,000	\$5,000
Damage to Rental Premises	\$50,000	No Requirement
Personal and Advertising Injury	\$1M	\$1M
Fire Damage		\$50,000 per fire
Professional Liability	No Requirement	\$1M Claim/Aggregate

(B) Any of the foregoing insurance coverage requirements may be eliminated or reduced if UCF and Osceola County both agree in writing that the undertakings of a Tradesmen and Design Professional on the Leased Premises (1) will not expose either UCF or Osceola County to risks

insured by any specific coverage or coverages, or (2) the required minimum amount of such specific coverage or coverages significantly exceeds the maximum potential risk exposure of both UCF and Osceola County from the undertakings of such Tradesmen and Design Professional.

(C) All such insurance shall be written in form and substance satisfactory to UCF and Osceola County in their reasonable judgment by an insurance company of recognized responsibility authorized to do business in the State of Florida. UCF shall furnish evidence of such insurance to Osceola County. The certificate shall contain a standard insurance industry statement prohibiting cancellation, termination, or modification of the policy or reduction of coverage without first giving UCF and Osceola County thirty-days prior written notice of such proposed action, except in the event of non-payment of the premium, for which UCF and Osceola County shall be given ten-days written notice of such proposed action.

### **SECTION 3.18. DAMAGE OR DESTRUCTION.**

(A) If less than 50 percent of the R&D Center is damaged or destroyed by fire or other casualty required to be covered by the insurance described in Section 3.14 hereof, then UCF shall repair, restore, replace or rebuild the R&D Center as nearly as is reasonably possible to the condition and character of the R&D Center immediately prior to the occurrence of the damage or destruction. Proceeds of the insurance required by Section 3.14 hereof shall be available to UCF for this purpose. To the extent the insurance proceeds exceed the amount required to repair, restore, replace or rebuild the R&D Center, the remainder shall be paid to Osceola County.

(B) If more than 50 percent of the R&D Center is damaged or destroyed by fire or other casualty required to be covered by the insurance described in Section 3.14 hereof or such damage or destruction occurs during the final two years of the Lease Term:

(1) UCF may elect to terminate this Lease Agreement by providing written notice to Osceola County not less than 120 days following such damage or destruction.

(2) If UCF does not elect to terminate this Lease Agreement, UCF shall repair, restore, replace or rebuild the R&D Center as nearly as is reasonably possible to the condition and character of the R&D Center immediately prior to the occurrence of the damage or destruction. Proceeds of the insurance required by Section 3.14 hereof shall be available to UCF for such purpose. To the extent the insurance proceeds exceed the amount required to repair, restore, replace or rebuild the R&D Center, the remainder shall be paid to Osceola County.

**SECTION 3.19. QUIET ENJOYMENT.** So long as UCF pays the Base Rent, Additional Rent and other sums payable under this Lease Agreement as and when due and performs UCF's covenants and complies with all of the terms and provisions of this Lease Agreement, UCF shall peacefully and quietly hold the Leased Premises throughout the Lease Term free from hindrance or molestation by County and others claiming by or under Osceola County, but subject, however, to the terms of this Lease Agreement. The provisions of this Section are in lieu of any implied covenants of title and quiet enjoyment.

**SECTION 3.20. ENTRY AND INSPECTION.** Osceola County shall have the right, upon 24 hours' prior notice (except in case of an emergency in which event no notice shall

be required), to enter the Leased Premises for the purpose of (A) examinations or inspections of the same, (B) making such repairs or alterations therein as permitted by County pursuant to the terms of this Lease Agreement or as County may reasonably deem necessary to preserve the value of the Leased Premises and (C) during the last year of the Lease Term only, showing the Leased Premises to prospective tenants or purchasers; and such entry not be deemed to be an actual or constructive eviction.

**SECTION 3.21. SURRENDER.** The following provisions shall apply if this Lease Agreement is terminated by Osceola County pursuant to Section 6.01 hereof.

(A) UCF shall yield the Leased Premises to Osceola County in good order and repair, and licenses granted herein to UCF shall automatically terminate and UCF shall execute a document, to be recorded in the public records, acknowledging the termination of this Lease Agreement. Except as otherwise provided in this Lease Agreement, the R&D Center and any leasehold improvements shall become the sole property of Osceola County without any compensation to UCF and free and clear of any right, title, interest, claim or demand of UCF or of anyone claiming through or under UCF. UCF agrees to execute such documents and instruments of conveyance as may be required by Osceola County to confirm such ownership in Osceola County.

(B) UCF shall assign to Osceola County all of UCF's interest in all subleases and any prepaid rent or deposits thereunder, along with UCF's interest in the total amount of any reserve accounts for capital repairs, replacements, operating expenses or other like items paid to UCF by occupants of the R&D Center, to the extent permitted by law and the terms of any agreements between UCF and the sublessees.

(C) Notwithstanding the foregoing but subject to the removal provisions below, Tools installed pursuant to Section 3.06 hereof shall remain the sole property of UCF (or the Occupant or other third party providing such Tools) if removed prior to the termination of this Lease Agreement, without any compensation to Osceola County and free and clear of any right, title, interest, claim, or demand of Osceola County or of anyone claiming through or under Osceola County. Osceola County agrees to execute such documents and instruments of conveyance as may be required by UCF to confirm such ownership in UCF (or the Occupant or other third party providing such Tools). UCF may remove such Tools, any of UCF's trade fixtures, furniture, furnishings, and other personal property from the Leased Premises and UCF shall repair any damage which may result to the Leased Premises from such removal; provided, however, UCF shall not remove any Tools, trade fixtures or equipment without Osceola County's prior written consent if the removal of the Tools, fixtures or equipment will impair the structure of the R&D Building. In the event UCF fails to remove those items, the items shall be deemed abandoned and shall be the property of Osceola County.

**SECTION 3.22. HOLDING OVER.** A holding over beyond the expiration of the Lease Term, whether with Osceola County's written consent or without Osceola County's consent, shall operate as an extension of this Lease Agreement on a month to month basis on the same terms and conditions in effect immediately prior to the expiration, except that Base Rent shall be one hundred ten percent of the Base Rent. If UCF holds over with the written consent of Osceola County, then the extended term may be terminated either by Osceola County or UCF by giving

thirty days' written notice to the other. Nothing contained in this Section however, shall be construed as a consent by Osceola County to any hold over by UCF, and Osceola County expressly reserves the right to require UCF to surrender possession of the Leased Premises to Osceola County upon expiration or other termination of this Lease Agreement, and the provisions of this Section shall not be deemed to limit or constitute a waiver of any other rights or remedies of Osceola County provided herein or at law if UCF holdovers without Osceola County's written consent.

**SECTION 3.23. SURVIVAL OF OBLIGATIONS.** All obligations of UCF hereunder arising during the term but not fully performed as of the expiration or earlier termination of this Lease Agreement shall survive the expiration or earlier termination of this Lease Agreement, including without limitation, all obligations concerning the payment of Base Rent, Additional Rent and other expenses and charges required to be paid hereunder by UCF for the period prior to the expiration or earlier termination of this Lease Agreement.

**SECTION 3.24. EMINENT DOMAIN.** In addition to, and without limiting the obligations of Osceola County as set forth in Section 3.07(A), if there shall be taken during the Lease Term by any condemning authority of more than ten percent of the Leased Premises, upon written notice within thirty days after such taking, UCF shall have the option to terminate this Lease Agreement. All sums awarded or agreed upon between UCF and the condemning authority for the taking of a UCF's removable trade fixtures and/or Tools acquired by UCF shall be the property of UCF. UCF shall have the right to pursue any separate award from the condemning authority for relocation expenses, loss of business, or other non-real estate related awards.

## ARTICLE IV USE AND OCCUPANCY

**SECTION 4.01. TAX COVENANT.** *[subject to review by tax counsel]* UCF acknowledges that Osceola County has issued the Sales Tax Bonds in compliance with the conditions necessary for interest on the Sales Tax Bonds to be excluded from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. It is the intent of Osceola County and UCF that the interest on the Sales Tax Bonds and any refunding obligations issued under the requirements of Section 103(a) of the Code be and remain excludable from gross income for federal income tax purposes. To that end, UCF covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Sales Tax Bonds, which was excludable from the gross income of the bondholders for federal income taxes on the date of their issuance, shall continue to be so excludable.

**SECTION 4.02. MANAGEMENT SERVICES AGREEMENT.** *[subject to review by tax counsel]*

(A) Unless UCF elects to operate the R&D Center directly, it shall have a management service agreement with an entity qualified to manage the R&D Center, including the Advanced Treatment Facilities. Each such management services agreement shall include the following:

(1) a statement that such agreement is intended to and shall constitute a "qualified management agreement" in compliance with applicable requirements of Section 141 of the Internal Revenue Code, as amended, and Rev. Proc. 2016-44 and successors thereto, and shall be interpreted in accordance with such requirements;

(2) a representation that the R&D Center Manager has reviewed and is familiar with the applicable requirements of Section 141 of the Code and Rev. Proc. 2016-44 and will review and become familiar with successors thereto; and

(3) an acknowledgment that Osceola County has issued the Sales Tax Bonds with the expectation that the interest thereon will be exempt from federal income tax under the provisions of Section 141(b) of the Code, § 1.141-3 of the Treasury Regulations and Rev. Proc. 2016-44 relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use, and an agreement to avoid conditions under which tax exempt bond financed property will be considered used for an impermissible private business use.

During the useful life of the R&D Center project funded by the EDA Grant, which is stipulated to be twenty years, any management services agreement entered into with a party other than a recipient of the EDA Grant must be reviewed and approved by EDA.

(B) At its option, UCF may or authorize the R&D Center Manager in a management services agreement to submit inquiries to Osceola County and/or Bond Counsel to ascertain whether an action or inaction on the part of the UCF or the R&D Center Manager could have an adverse effect on the exemption from federal income tax of interest on the Bonds.

(1) Such inquiries may include the submission of contracts with unrelated third parties for the management, operation or use of the R&D Center to ascertain whether such contracts could adversely affect the exemption from federal income tax of interest on the Bonds. Osceola County may seek the advice of Bond Counsel with respect to each such inquiry or contract submitted to it. UCF and the R&D Center Manager shall be entitled to rely upon the advice from Osceola County or Bond Counsel, which shall relieve UCF and the R&D Center Manager from any liability to Osceola County with respect to any such matter so submitted. Osceola County shall use reasonable commercial efforts to make such determination or obtain such determination from Bond Counsel within ten days of such submission but in no event later than thirty days of such submission. Failure to submit any such contract shall not result in a UCF Default under this Lease Agreement to the extent such contract does not adversely affect the exemption from federal income tax of the interest on the Bonds.

(2) UCF shall promptly pay or cause the R&D Center Manager to pay Bond Counsel or reimburse any cost incurred by Osceola County to secure the advice of Bond Counsel or any special tax counsel consulted by Bond Counsel in connection with any such inquiry upon receipt of an invoice from Osceola County or Bond Counsel.

**SECTION 4.03. RESEARCH AND DEVELOPMENT.** The R&D Center will be used by UCF or the R&D Center Manager:

(A) to foster development of a high-impact industry center for the promotion of cooperative research and development by university, industry and government partners to accelerate advancement in smart sensor development and manufacturing;

(B) to promote collaboration among experts in industry and academia to share sensor-related expertise (and other advanced manufacturing opportunities) and to perform research and development on innovative sensor manufacturing systems that lead to advanced and alternative strategies, with improved efficiencies of scale;

(C) to accelerate the growth of an advanced sensor device industry cluster and advanced manufacturing sectors, creating jobs and economic improvement for Osceola County through the development and commercialization of new sensor technologies and other advanced manufacturing technologies, recognizing that companies within industry clusters derive strength from one another, encourage further growth and innovation, and result in expanded economic development for Osceola County; and

(D) to foster a cluster of technology companies driving economic development, implicating all industries with opportunities for startups and business expansions, and adding significant high-wage jobs and benefiting the local economy through increased tax revenues from industry or business expansion and relocation within Osceola County.

**SECTION 4.04. COMPLIANCE WITH LEGAL REQUIREMENTS.** During the Lease Term, UCF shall comply with and cause the Leased Premises to be in compliance with (A) all laws, ordinances and regulations, and other governmental rules, orders and determinations, whether or not presently contemplated applicable to the Leased Premises or the uses conducted on

the Leased Premises, including without limitation, the Americans With Disabilities Act, the Florida Americans With Disabilities Accessibility Implementation Act, and all local state and federal non-discrimination and environmental laws; and (B) the provisions of any insurance policies required to be maintained by UCF with respect to the Leased Premises; provided however, that Osceola County shall be responsible for any violations occurring prior to Substantial Completion of the R&D Center. If any additions, alterations, changes, repairs or other work of any nature, structural or otherwise, shall be required or ordered or become necessary at any time during the Lease Term because of any of these requirements, the entire expense of the same, irrespective of when the same shall be incurred or become due, shall be the sole liability of UCF; provided however, that the foregoing sentence shall not apply to any generally applicable regulations imposed by Osceola County that were not in effect prior to the date the R&D Center reached Substantial Completion.

#### **SECTION 4.05. REQUIRED OCCUPANCY.**

(A) If for any reason, UCF is unable to fully use the R&D Center for the purposes described in Section 4.03, it shall locate or relocate comparable research and development activities under the auspices of UCF's Office of Research and Commercialization or another comparable research, science or technical division of UCF, to the R&D Center. The completed cleanroom research/fabrication space, as described in the Design Documents incorporated by reference into the Restated Development Agreement, shall be fully and actively utilized for such activities at all times. The Parties will use every reasonable effort to cooperate with each other and community collaborators such as Florida High Tech Corridor Council, Inc. to actively pursue university, industry and government partners to build out the R&D Center and secure economic development project for Osceola County and the region.

(B) Osceola County and UCF acknowledge that utilization of the R&D Center for the purposes described in Section 4.03 and/or the foregoing subsection (A) has served as a material inducement for Osceola County to enter into the Restated Development Agreement and this Lease Agreement. Osceola County and UCF further acknowledge that remedies at law, including but not limited to monetary damages, may be inadequate for breach by either Party hereunder and either Party may incur losses of types and in amounts which are impossible to compute and ascertain with certainty as a basis for recovery of actual damages. Accordingly, if either Party shall breach any term of this Lease Agreement, each Party agrees that the other Party shall be entitled to seek such equitable relief as may be available to it under Florida law, including but not limited to an action for mandamus or specific performance in addition to the remedies provided in Section 6.01 hereof.

**ARTICLE V**  
**ADVANCED TREATMENT FACILITIES**

**SECTION 5.01. OPERATION.**

(A) During the Lease Term, UCF shall operate and maintain the Advanced Treatment Facilities to serve the R&D Center in accordance with the terms of this Lease.

(B) The ROWS and ROWS Main will be maintained in accordance with best utility practices for similar facilities. To avoid doubt, any dispute as to best utility practices shall be resolved by reference to the operations and maintenance manual approved by the engineer of record, the manufacturer's specifications, and use of sound engineering and utility administration judgment. The ROWS will be operated in accordance with all manufacturer's specifications including, but not limited to, start-up, shut-down, membrane preservation, preventative maintenance and performance monitoring, to produce water meeting the volume and quality requirements of the R&D Center.

(C) The AWNS and AWNS Main will be maintained in accordance with best utility practices for similar facilities. To avoid doubt, any dispute as to best utility practices shall be resolved by reference to the operations and maintenance manual approved by the engineer of record, the manufacturer's specifications, and use of sound engineering and utility administration judgment. The AWNS will be operated in accordance with all manufacturer's specifications including, but not limited to, start-up, shut-down, calibration, preventative maintenance and performance monitoring to treat wastewater from the R&D Center to the published standards required by TWA for effluent entering its wastewater system. UCF shall provide, or cause the R&D Center Manager to provide access to the Leased Premises to TWA for monitoring, and to monitoring equipment, to address capacity, capability, quantity and quality to allow monitoring for, among other things, demand and contaminants entering TWA's wastewater collection system.

(D) UCF shall maintain and share, or cause the R&D Center Manager to maintain and share with TWA upon request, a record of maintenance and operations in a digital format, with an audit trail as to date, time, and person recording entries, to the extent applicable to the Advanced Treatment Facilities.

(E) UCF shall pay, or cause the R&D Center Manager to pay all operating and maintenance expenses of the Advanced Treatment Facilities related to or arising from the operation of the R&D Center, including, but not limited to salaries, benefits and employee taxes for staff, supplies, treatment chemicals, filters, utilities, insurance (but only to the extent required by the terms of this Lease Agreement), lab and testing fees, minor repairs and regular maintenance. In addition, UCF shall pay all applicable TWA rates, fees and charges for water entering the Advanced Treatment Facilities or the R&D Center and all applicable TWA rates, fees and charges for wastewater entering TWA's wastewater collection system from the R&D Center.

(F) TWA shall have the right, but not the duty, to inspect the Advanced Treatment Building, ROWS and AWNS, and associated facilities. Any inspection conducted by TWA shall be coordinated with the UCF or the R&D Center Manager and shall not unreasonably interfere with operation of the R&D Center or the Advanced Treatment Equipment.



**SECTION 5.02. RENEWAL, REPLACEMENT AND EXPANSION.**

(A) The parties recognize that:

(1) the AWNS and ROWS will likely be initially designed and sized to serve the R&D Center at the commencement of the Lease Term;

(2) various components of the AWNS and ROWS will have different useful lives, necessitating renewal and replacement at different times;

(3) build-out of the R&D Center will likely require expansion of the AWNS and ROWS; and

(4) service to customers other than the R&D Center will likely require expansion of the Advanced Treatment Building, expansion of the AWNS and ROWS, an additional AWNS main, an additional ROWS main, and easements for the additional AWNS main and ROWS main; and

(5) TWA may, in its absolute discretion, provide funding for expansion of the AWNS and ROWS, an additional AWNS main, an additional ROWS main, but has no obligation to provide any such funding.

(B) UCF shall be responsible, or cause the R&D Center Manager to be responsible for renewal and replacement of the AWNS and ROWS components required to meet the operating standards set forth in Section 5.01. Replacement components shall be comparable to the components replaced and shall meet applicable manufacturer's specifications for the AWNS and ROWS, respectively.

(1) Beginning on December 1 following execution of this Lease, and by December 1 of each year thereafter during the term of this Lease, UCF shall provide, or cause the R&D Center Manager to provide to TWA for consideration and comment a projected five-year capital improvement plan for annual renewal and replacement expenditures for the AWNS and ROWS components for consideration and inclusion in the capital budget of UCF or the R&D Center Manager. Such plan will be continually updated each successive year in a manner which uses sound engineering judgement and incorporates appropriate asset management criteria as mutually determined by UCF or the R&D Center Manager, and TWA. Such plan will address planned expenditures for the upcoming fiscal year commencing on October 1 and the four succeeding fiscal years and at a minimum must include the following elements: (a) detailed list of capital items to be replaced or rehabilitated in each year of the five-year plan; (b) quantities of each item; (c) cost per item; and (d) schedule for replacement or rehabilitation.

(2) The obligation to fund any renewal or replacement project shall be that of the UCF or the R&D Center Manager, not Osceola County or TWA.

(C) UCF or the R&D Center Manager may negotiate terms, conditions and financial obligations with Osceola County and/or TWA for design, acquisition and installation of expansions to the AWNS and ROWS required to serve the R&D Center to full build-out in

accordance with Section 3.12(H). Any such expansions shall comply with all government requirements.

(1) TWA shall have no obligation to fund expansions to the AWNS and ROWS unless otherwise agreed in writing, but may elect to do so in accordance with this subsection (C), or otherwise, after considering:

(a) advantages to TWA ratepayers resulting from local economic expansion emanating or derived from the R&D Center and Advanced Treatment Facilities;

(b) concomitant monetary contributions by UCF or the R&D Center Manager; and

(c) concomitant monetary contributions from Osceola County, UCF, other local, state or national governmental, public or private interests, beneficiaries or users.

(2) Osceola County may elect to fund expansions to the AWNS and ROWS in accordance with this subsection (C), but shall have no obligation to do so unless otherwise agreed in writing.

(3) If both TWA and Osceola County decline to fund any expansions to the AWNS and ROWS, the AWNS and ROWS shall not be expanded unless UCF elects to provide the necessary funds or secures funds from another source. UCF may elect to fund expansions in accordance with this subsection (C), but shall have no obligation to do so unless otherwise agreed in writing.

(D) The parties acknowledge and agree that the Advanced Treatment Facilities may be expanded to serve customers other than the R&D Center. If TWA elects to initiate advanced water and/or wastewater service to other customers, Osceola County, UCF, the R&D Center Manager and TWA shall meet, discuss and make good faith efforts to agree upon:

(1) expansion of the Advanced Treatment Building, or design and construction of an additional advanced treatment building;

(2) design, acquisition and installation of additional Advanced Treatment Equipment;

(3) location of an additional easement for an AWNS Main and/or ROWS Main;

(4) operating responsibilities for the additional Advanced Treatment Equipment;

(5) billing and customer service responsibilities for the new customer or customers;

- (6) allocation of capital and operating costs between the R&D Center and the new customer or customers;
- (7) allocation of responsibilities and expenses associated with insurance and liability between the R&D Center and the new customer or customers;
- (8) responsibility for renewal and replacement projects associated with the new customer or customers;
- (9) responsibility for expansions to the AWNS and ROWS associated with the new customer or customers; and
- (10) any other issues relevant to the provision of advanced water and/or wastewater service to other customers.

Until and unless the Parties enter into a written agreement setting forth the terms related to any such expansion, UCF shall have any obligation, financial or operational, regarding such expansion; however, to the extent any portion of the capital reimbursement surcharge paid by UCF to TWA hereunder can be legally recovered from any new customer or customers, such portion of the capital reimbursement surcharge shall be applied to any remaining outstanding balance owed by UCF.

## **ARTICLE VI GENERAL PROVISIONS**

### **SECTION 6.01.      DEFAULT AND REMEDIES.**

(A) Any one or more of the following events shall constitute a UCF Default under this Lease Agreement by UCF: (1) UCF fails to pay when due Base Rent, Additional Rent or any other amount to be paid under this Lease Agreement by UCF, and the failure continues for thirty days after written notice from Osceola County; (2) UCF fails to perform or observe any other covenant or condition to be performed or complied with by UCF under this Lease Agreement, specifically including but not limited to Sections 3.11, 3.12, and Article IV hereof; (3) UCF files or there is filed against UCF a petition in bankruptcy or a petition or answer seeking reorganization under the Federal Bankruptcy Code or any other applicable statute; or (4) an order is entered adjudicating UCF bankrupt or approving an involuntary petition seeking a reorganization of UCF under the Federal Bankruptcy Code or any other applicable statute or appointing a receiver, trustee or conservator for all or any substantial part of the property of UCF, and the order is not vacated or stayed within one hundred eighty days of entry; or (5) this Lease Agreement or the R&D Center Site or any part of the R&D Center Site is taken upon execution or by other process of law directed against UCF, or is taken upon or subjected to any attachments by any creditor of UCF or claimant against UCF, and the attachment is not discharged within thirty days after its levy.

(B) Upon the occurrence of a UCF Default, Osceola County shall have the following rights and remedies (in addition to all other rights and remedies provided Osceola County at law, in equity or hereunder): (1) to institute any and all proceedings or claims permitted at law to recover all amounts necessary to compensate Osceola County for all damages proximately caused by UCF's failure to perform its obligations under this Lease Agreement; (2) to institute any and all proceedings or claims permitted in equity to compel specific performance with respect to UCF's obligations under this Lease Agreement and one or more actions to seek and obtain a temporary restraining order, together with such other temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction capable of issuing or granting such relief, to compel UCF to comply with or refrain or cease from breaching or violating the terms, covenants and conditions of this Lease Agreement, and/or (3) to terminate this Lease Agreement. Upon termination of this Lease Agreement, Osceola County may re-enter and take complete and peaceful possession of the Leased Premises, in which event UCF shall peacefully and quietly yield up and surrender the Leased Premises to Osceola County. Osceola County and UCF further agree that nothing contained herein shall be construed or interpreted as (x) denying to either Party any remedy or defense available to such Party under the laws of the State of Florida, (y) the consent of the State of Florida or its agents or agencies to be sued, or (z) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.

(C) No waiver or assent, express or implied, to any breach of UCF's covenants hereunder shall be deemed a waiver of any breach of any other covenants under this Lease Agreement or a waiver of any succeeding breach of the same covenants. No waiver shall be deemed to have been given by Osceola County's failure to enforce the terms of this Lease Agreement strictly, including, without limitation, Osceola County's failure to collect any Base

Rent or Additional Rent, unless such waiver shall be in writing and shall state the specific act or failure which Osceola County has agreed not to treat as a UCF Default.

(D) If a UCF Default occurs as a result of UCF's failure to pay any lawfully imposed taxes, assessments or other charges, or maintain required insurance coverages, Osceola County, without waiving or releasing any obligation or UCF Default, may (but shall be under no obligation to) make the payment for the account and at the expense of UCF. All sums so paid by Osceola County, together with interest thereon at the Prime Rate, shall constitute Additional Rent and shall be paid by UCF to Osceola County on demand.

(E) Any one or more of the following events shall constitute an Osceola County Default under this Lease Agreement by Osceola County: (1) Osceola County fails to perform or observe any other covenant or condition to be performed or complied with by Osceola County; (2) Osceola County files or there is filed against Osceola County a petition in bankruptcy or a petition or answer seeking reorganization under the Federal Bankruptcy Code or any other applicable statute; (3) an order is entered adjudicating Osceola County bankrupt or approving an involuntary petition seeking a reorganization of Osceola County under the Federal Bankruptcy Code or any other applicable statute or appointing a receiver, trustee or conservator for all or any substantial part of the property of Osceola County, and the order is not vacated or stayed within one hundred eighty days of entry; or (4) this Lease Agreement or the R&D Center Site or any part of the R&D Center Site is taken upon execution or by other process of law directed against Osceola County, or is taken upon or subjected to any attachments by any creditor of Osceola County or claimant against Osceola County, and the attachment is not discharged within thirty days after its levy.

(F) Upon the occurrence of an Osceola County Default, UCF shall have the following rights and remedies (in addition to all other rights and remedies provided UCF at law, in equity or hereunder): (1) to institute any and all proceedings or claims permitted at law to recover all amounts necessary to compensate UCF for all damages proximately caused by Osceola County's failure to perform its obligations under this Lease Agreement; (2) to institute any and all proceedings or claims permitted in equity to compel specific performance with respect to Osceola County's obligations under this Lease Agreement and one or more actions to seek and obtain a temporary restraining order, together with such other temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction capable of issuing or granting such relief, to compel Osceola County to comply with or refrain or cease from breaching or violating the terms, covenants and conditions of this Lease Agreement, and/or (3) to terminate this Lease Agreement.

(G) No waiver or assent, express or implied, to any breach of Osceola County's covenants hereunder shall be deemed a waiver of any breach of any other covenants under this Lease Agreement or a waiver of any succeeding breach of the same covenants. No waiver shall be deemed to have been given by UCF's failure to enforce the terms of this Lease Agreement strictly, unless such waiver shall be in writing and shall state the specific act or failure which UCF has agreed not to treat as an Osceola County Default.

**SECTION 6.02. NOTICE AND CURE.** No breach of this Lease Agreement shall become a UCF Default or an Osceola County Default unless the non-defaulting Party has notified the defaulting Party in writing of the breach and demanded compliance with this Lease Agreement.

The Party who has breached this Lease Agreement shall remedy its breach within fifteen business days of receipt of written notice thereof, unless such breach is susceptible of cure and such cure cannot, with diligence, be completed within the fifteen business day period, in which additional time shall be afforded, provided cure is begun within the fifteen business day period and diligently and continuously thereafter prosecuted to completion, provided that in no event shall such additional time exceed thirty days from the receipt by the defaulting Party of written notice of the breach. If a cure is not completed after notice and within the allowed cure period, a non-defaulting Party may declare a breaching Party in default and may exercise its remedies as provided in this Lease Agreement.

**SECTION 6.03. REMEDIES CUMULATIVE.** All rights and remedies provided in this Lease Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the Parties, whether provided by law, equity, statute, in any other agreement between the Parties or otherwise.

**SECTION 6.04. RESOLUTION OF DISPUTES.** It is the desire and intent of the Parties to avoid, if possible, the expense and delay inherent in litigation; therefore, the Parties agree that whenever any Party cannot resolve an issue with the other Party, the affected Parties will engage in the alternative dispute resolution process described below prior to resorting to litigation.

(A) Either Party may initiate the dispute resolution process by providing written notice to the other Party. After transmittal and receipt of a notice specifying the area or areas of disagreement, the Parties agree to meet at reasonable times and places, as mutually agreed upon, to discuss the issues.

(B) If discussions between the Parties fail to resolve the dispute within sixty calendar days of the notice described in the foregoing subsection (A), the Parties shall appoint a mutually acceptable neutral third Party to act as a mediator. If the Parties are unable to agree upon a mediator, Osceola County will request appointment of a mediator by the Chief Judge of the Circuit Court of the Ninth Judicial Circuit in and for Osceola County. The mediation contemplated by this subsection is intended to be an informal and non-adversarial process with the objective of helping the Parties reach a mutually acceptable and voluntary agreement. The decision-making shall rest solely with the Parties. The mediator shall assist the Parties in identifying issues, fostering joint problem-solving, and exploring settlement alternatives. It is understood that any settlement may require approval of the Osceola County Commission.

(C) If the Parties are unable to reach a mediated settlement within 120 calendar days of the mediator's appointment, any Party may terminate the settlement discussions by written notice to the other Party. In such event, any Party may initiate litigation within 120 calendar days of the notice terminating the settlement discussions. Failure by the Party initiating the dispute resolution procedure to commence litigation within the 120-day period shall be deemed to constitute an acceptance of the interpretation or performance of the other Party. Osceola County and UCF further 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 or agencies to be sued, or (3) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.

**SECTION 6.05. PUBLIC RECORDS.** The Parties shall comply with Section 119.07, Florida Statutes commonly known as the Public Records Act, including but not limited to the following:

(A) keep and maintain public records that ordinarily and necessarily would be required by the Parties in order to perform the service;

(B) provide the public with access to public records on the same terms and conditions that the Parties would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law;

(C) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and

(D) meet all requirements for retaining public records and transfer, at no cost, to the counterparty all public records in possession of each Party upon termination of this Lease Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency.

**SECTION 6.06. ASSIGNMENT.** Neither Party shall be permitted to assign, nor transfer any of its rights and obligations under this Lease Agreement the prior written consent of the other Party, which shall not be withheld unreasonably, ~~and compliance with any requirements imposed. During the useful life of the R&D Center project funded by the United States Department of Commerce, Economic Development Administration in connection with the financial assistance award described in Section 4.01(B) of the Restated Development Agreement, if EDA Grant, which is stipulated to be twenty years, no such award is assignment shall be made, with terms agreed to by Osceola County, UCF, and without the Consortium prior written consent of EDA.~~ The foregoing shall not be construed to prohibit occupancy, sublease or other R&D Center use agreements entered into by UCF in the ordinary course of operating the R&D Center for the purpose described in Sections 4.03 and 4.05 hereof.

**SECTION 6.07. PROFESSIONAL FEES.** Each Party shall be responsible for securing its own counsel for representation relative to all matters associated with performance, cancellation or closing hereunder, including any mediation, unless otherwise specified herein, and each Party shall be responsible for the payment of the fees of its own attorneys and other professional advisors or consultants in connection therewith.

**SECTION 6.08. TIME OF THE ESSENCE.** Time is of the essence with respect to all provisions of this Lease Agreement.

**SECTION 6.09. EXTENSION OF TIME PERIODS.** In the event that the last day of any period of time on any date specified in this Lease Agreement shall fall on a weekend or legal holiday, or any day when UCF's or County's banks or other governmental offices in Osceola County are closed, such period of time shall be extended through the end of the next work day following, or the next date during which such governmental offices and banks are open.

**SECTION 6.10. NO JOINT VENTURE.** Nothing in this Lease Agreement shall be deemed to constitute the creation of a joint venture or partnership relationship between Osceola County and UCF.

**SECTION 6.11. NON-WAIVER.** The failure of any Party to insist upon another Party's compliance with its obligations under this Lease Agreement in any one or more instances shall not operate to release such other Party from its duties to comply with such obligations in all other instances.

**SECTION 6.12. COUNTERPARTS.** This Lease Agreement may be executed in multiple counterparts. Each such counterpart shall be deemed an original of this Lease Agreement, so that in making proof of this Lease Agreement, it shall only be necessary to produce or account for one such counterpart.

**SECTION 6.13. ENTIRE AGREEMENT.** This Lease Agreement, including the Appendices, which are incorporated herein by reference, constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the Parties, whether oral or written, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof, except as specifically set forth herein.

**SECTION 6.14. BINDING EFFECT.** This Lease Agreement shall be binding upon and inure to the benefit of the respective successors and assigns and, as applicable, to heirs and legal representatives of the Parties hereto; provided however, that the Lease Agreement shall not inure to the benefit of any assignee of UCF pursuant to an assignment which is not in compliance with the terms of the Lease Agreement.

**SECTION 6.15. AMENDMENTS AND WAIVERS.** No amendment, supplement, modification or waiver of this Lease Agreement shall be binding unless executed in writing by both Parties hereto. No waiver of any of the provisions of this Lease Agreement shall be deemed or shall constitute a waiver of any other provision of this Lease Agreement, whether or not similar, unless otherwise expressly provided.

**SECTION 6.16. NOTICES TO PARTIES.**

(A) Whenever this Lease Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one Party to another, the content, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to and received by the Party intended to receive it (1) by hand delivery to the person(s) hereinafter designated, or (2) by overnight hand delivery addressed as follows, or (3) through the United States Mail, postage prepaid, certified mail, return-receipt requested, or (4) delivered and received by facsimile telephone transmission or other electronic transmission (provided that an original of the electronically transmitted document is delivered within five days after the document was electronically transmitted) upon the date so delivered to and received by the person to whom it is at the address set forth opposite the Party's name below:



To Osceola County: Osceola County Manager  
1 Courthouse Square  
Suite 4700  
Kissimmee, FL 34741  
Phone: (407) 742-2385  
Fax: (407) 742-3291

With a copy to: Osceola County Attorney  
1 Courthouse Square  
Suite 4200  
Kissimmee, FL 34741  
Phone: (407) 343-2330  
Fax: (407) 742-2217

To UCF: Vice President for Research & Commercialization  
University of Central Florida  
4365 Andromeda Loop North  
Millican Hall Room 260  
Orlando, FL 32816  
Phone: (407) 823-5538  
Fax: (407) 882-1156

With a copy to: Vice President and General Counsel  
University of Central Florida  
4365 Andromeda Loop North  
Millican Hall Room 360  
Orlando, FL 32816  
Phone: (407) 823-2482  
Fax: (407) 823-6155

Any of the foregoing Parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

(B) A copy of each such notice shall be provided in the same manner to the R&D Center Manager at the address set forth below:

ICAMR, Inc.  
Attention: Chief Operating Officer  
200 NeoCity Way  
Kissimmee, FL 34741  
Phone: (407) 742-4254  
Fax: (407) 742-3291

The R&D Center Manager may, by notice in writing given to the Parties, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

**SECTION 6.17. SEVERABILITY.** In the event any one or more of the provisions contained in this Lease Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease Agreement shall be revised so as to cure such invalid, illegal or unenforceable provision to carry out as nearly as possible the original intent of the Parties.

**SECTION 6.18. GOVERNING LAW AND VENUE.** This Lease Agreement and all agreements entered into in connection herewith will be performed in Osceola County. The laws of Florida shall govern the validity, construction, enforcement and interpretation of this Lease Agreement. In the event of litigation among the Parties hereto, their successors or assigns, with regard to this Lease Agreement and any subsequent supplementary agreements or amendments, venue shall lie exclusively in Osceola County.

**SECTION 6.19. LITIGATION.** Each Party hereby knowingly, voluntarily and intentionally waives the right to a trial by jury with respect to any litigation (including but not limited to any counterclaims, cross claims or third party claims), whether now existing or hereafter arising, and whether sounding in contract, tort, equity or otherwise, regardless of the cause or causes of action, defenses or counterclaims alleged or the relief sought by any Party, and regardless of whether such causes of action, defenses or counterclaims are based on, or arise out of, under or in connection with this agreement or its subject matter, out of any alleged conduct or course of conduct, dealing or course of dealing, statement (whether verbal or written), or otherwise. Any Party hereto may file a copy of this agreement with any court as conclusive evidence of the consent of the Parties hereto to the waiver of any right they may have to trial by jury.

**SECTION 6.20. MEMORANDUM OF LEASE.** Upon execution of this Lease Agreement, the Parties shall execute and Osceola County shall record a Memorandum of Lease in substantially the form attached hereto as Appendix B. Within thirty days of the expiration or earlier termination of this Lease Agreement, the Parties shall execute and record a termination of any such Memorandum of Lease. If either Party fails to execute such a termination, the other Party shall have the right to record a unilateral notice of such expiration or termination, which unilateral notice is hereby authorized by the Parties, and shall be effective to terminate any Memorandum of Lease.

**SECTION 6.21. SUBORDINATION AGREEMENT.** UCF acknowledges that the EDA Grant requires Osceola County to execute and record a Covenant of Use, Purpose and Ownership in substantially the form attached hereto as Appendix C and requires the Parties to subordinate this Lease Agreement to the Covenant of Use, Purpose and Ownership. Upon execution of this Lease Agreement, the Parties shall execute and Osceola County shall record a Subordination Agreement in substantially the form attached hereto as Appendix D. Upon expiration of the useful life of the project funded by the EDA grant, stipulated to be twenty (20) years, the Parties shall execute and record a termination of the Covenant of Use, Purpose, and Ownership.

**IN WITNESS WHEREOF**, the Board of County Commissioners of Osceola, Florida, has caused this Lease Agreement to be executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2017.

**OSCEOLA COUNTY, FLORIDA**

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

~~Chairman~~Chair/~~Vice Chairman~~Chair

Board of County Commissioners

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk/Deputy Clerk

As authorized for execution at the Board of  
County Commissioners meeting of:

\_\_\_\_\_

**IN WITNESS WHEREOF**, UCF has caused this Lease Agreement to be executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2017.

**UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES**

By: \_\_\_\_\_  
John C. Hitt, Ph.D., President

**WITNESSES:**

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

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



**APPENDIX B**  
**FORM OF MEMORANDUM OF LEASE**

This instrument was prepared by or under the supervision of (and after recording should be returned to):

Andrew W. Mai  
Osceola County Attorney  
1 Courthouse Square, Suite 4200  
Kissimmee, Florida 34741

(Space reserved for Clerk of Court)

**MEMORANDUM OF LEASE**

**THIS MEMORANDUM OF LEASE** (this "Memorandum") is dated as of                     , 2017] and is entered into by and between Osceola County, a charter county and political subdivision of the State of Florida, with an address of 1 Courthouse Square, Suite 4700, Kissimmee, FL 34741 ("Osceola County"), and the University of Central Florida Board of Trustees, with an address of 4365 Andromeda Loop North, Millican Hall Room 360, Orlando, FL 32816 ("UCF").

**W I T N E S S E T H:**

**WHEREAS**, Osceola County is the owner of certain property to be developed for research and development purposes; and

**WHEREAS**, on                     , 2017, Osceola County and UCF executed an unrecorded Lease Agreement pertaining to a portion of such property (the "Leased Premises") that are more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

**NOW THEREFORE**, Osceola County and UCF hereby agree as follows:

1. Leased Premises. Osceola County hereby leases to UCF, and UCF hereby leases from Osceola County, the Leased Premises upon all of the terms, covenants and conditions set forth in the Lease Agreement.

2. Term. The unrecorded Lease Agreement commenced on                     , 2017, and extends for a period of forty years.

3. Incorporation by Reference. The purpose of this Memorandum is solely to provide notice of the existence of the Lease Agreement. The Lease Agreement is incorporated herein by this reference, and words and phrases used in this Memorandum, which are not defined herein, shall have the meanings given to them in the Lease Agreement. In the event, and to the extent, that any of the terms or provisions of this Memorandum are inconsistent with the terms or provisions of the Lease Agreement, the terms and provisions of the Lease Agreement shall govern and prevail.

[Signatures Appear on the Following Pages]

IN WITNESS WHEREOF, Osceola County and UCF hereto have executed this Memorandum.

**OSCEOLA COUNTY, FLORIDA**

\_\_\_\_\_  
By: \_\_\_\_\_  
Chair/Vice Chair  
(SEAL) \_\_\_\_\_ Board of County Commissioners

ATTEST:

\_\_\_\_\_  
Clerk/Deputy Clerk

As authorized for execution at the Board of  
County Commissioners meeting of:

\_\_\_\_\_  
**UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES**

\_\_\_\_\_  
By: \_\_\_\_\_  
John C. Hitt, Ph.D., President

**WITNESSES:**

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

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

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017,  
by John C. Hitt, Ph.D., as President of the University of Central Florida. The President [ ] is  
personally known to me, or [ ] has produced a driver's license as identification.

(Notary Seal) \_\_\_\_\_

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Name of Notary Typed, Printed or Stamped

**APPENDIX C**  
**FORM OF SUBORDINATION AGREEMENT**

This instrument was prepared by or under the supervision of (and after recording should be returned to):

Andrew W. Mai  
Osceola County Attorney  
1 Courthouse Square, Suite 4200  
Kissimmee, Florida 34741

(Space reserved for Clerk of Court)

**SUBORDINATION AGREEMENT**  
**FOR THE BENEFIT OF**  
**THE UNITED STATES DEPARTMENT OF COMMERCE,**  
**ECONOMIC DEVELOPMENT ADMINISTRATION**

THIS SUBORDINATION AGREEMENT (hereinafter "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017 by Osceola County, a charter county and political subdivision of the State of Florida (hereinafter "Osceola County"), with an address of 1 Courthouse Square, Suite 4700, Kissimmee, FL 34741 and the University of Central Florida Board of Trustees (hereinafter referred to as "UCF") with an address of 4365 Andromeda Loop North, Millican Hall Room 360, Orlando, FL 32816 in favor and for the benefit of the United States Department of Commerce, Economic Development Administration (hereinafter "EDA") with an address of 1401 Constitution, N.W., Attn: Chief Counsel, Washington, DC 20230 with an office at 401 West Peachtree Street NW, Suite 1801, Atlanta, GA 30308-3510.

**W I T N E S S E T H:**

WHEREAS, Osceola County and UCF have applied for and obtained a Financial Assistance Award (hereinafter the "Award") from EDA, designated as Osceola County, FL Award 04-01-07149; and

WHEREAS, as a condition and requirement of the Award, EDA requires Osceola County to execute and record a Covenant of Use, Purpose and Ownership (hereinafter the "Covenant") in favor of EDA to evidence and secure EDA's federal interest in the Award, which Covenant is dated \_\_\_\_\_ and recorded \_\_\_\_\_ 20 \_\_\_\_\_ in Book \_\_\_\_\_ at Page \_\_\_\_\_ in the Public Records of Osceola County, Florida; and

WHEREAS, Osceola County, as lessor, and UCF, as lessee, have entered into that certain Lease Agreement dated \_\_\_\_\_, (hereinafter the "Lease") governing UCF's use and occupancy of the real property described in Exhibit "A" attached hereto and made a part hereof by this reference; and

WHEREAS, a Memorandum of the Lease executed by Osceola County, as lessor, and UCF, as lessee, is recorded in Book \_\_\_\_\_, at Page \_\_\_\_\_ of the Public Records of Osceola County, Florida (hereinafter the "Memorandum of Lease"); and



**WHEREAS,** the parties desire to subordinate and make junior and inferior the Lease to the Covenant; and

**WHEREAS,** Osceola County and UCF have requested that EDA review and approve the Lease as required and provided in the Award and in the Covenant and EDA has provided its written approval (as limited and qualified in the written approval) of the Lease simultaneously with the execution and as a condition of this execution of this Agreement by Osceola County and UCF;

**NOW THEREFORE,** in consideration of Ten dollars (\$10.00) paid in hand and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties hereto and for and in further consideration of the respective covenants made in this Agreement, Osceola County and UCF agree as follows:

1. All of the foregoing recitals are true and correct to the best of the knowledge of Osceola County and UCF.

2. The Lease and all renewals, modifications or extension thereof and all of the rights of Osceola County and UCF thereunder are now and at all times hereafter shall be subject, junior and subordinate to the Covenant.

3. Any options or rights contained in the Lease to acquire title to the property demised and leased by Osceola County to UCF are hereby made subject, junior and subordinate to the rights EDA under the Covenant.

4. Osceola County and UCF agree to give timely written notice of any default, breach or non-performance of the other party under the terms and provisions of the Lease or any alleged default, breach or non-performance under the terms and provisions of the Lease to EDA. The written notice to EDA shall include and describe what corrective or remedial action(s) the parties are or will undertake to remedy such default, breach or non-performance under the terms and provisions of the Lease or that the parties will not undertake any such corrective or remedial action(s).

5. Any notice which is required, permitted or otherwise given hereunder shall be in writing and shall be delivered in person or sent by registered or certified mail, return receipt requested, postage prepaid to the address set out above for the parties or at such other address as is specified by written notice delivered in accordance herewith. Any and all notices given by personal delivery shall be deemed received when delivered and any and all notices given by mail shall be deemed received on the fifth calendar day following the postmark on such notice.

6. All terms, covenants, conditions and restriction of the Covenant shall remain in full force and effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, successors in interest and assigns. Time is of the essence hereof. This Agreement shall be governed by and construed in accordance with Federal law, or if Federal law is not controlling, the laws of the State of Florida, as applicable. Whenever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without

invalidating the remainder of such provision or the remaining provisions of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed and original and all of which shall be construed together and shall constitute one instrument. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors in interest.

IN WITNESS WHEREOF, Osceola County and UCF having been duly authorized to do so have executed this Agreement as of the day and year above written.

**OSCEOLA COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair/Vice Chair  
(SEAL) \_\_\_\_\_ Board of County Commissioners

ATTEST:

\_\_\_\_\_  
Clerk/Deputy Clerk

As authorized for execution at the Board of  
County Commissioners meeting of:

\_\_\_\_\_

**UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES**

By: \_\_\_\_\_  
John C. Hitt, Ph.D., President

WITNESSES:

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

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

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017,  
by John C. Hitt, Ph.D., as President of the University of Central Florida. The President [ ] is

personally known to me, or [ ] has produced a driver's license as identification.

(Notary Seal)

Signature of Notary Public

Name of Notary Typed, Printed or Stamped

## Attachment B

FORM CD-450 (REV. 12-14)		U.S. DEPARTMENT OF COMMERCE		<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT	
<b>FINANCIAL ASSISTANCE AWARD</b>				FEDERAL AWARD ID NUMBER	
				04-01-07149	
RECIPIENT NAME				PERIOD OF PERFORMANCE	
Osceola County Board of County Commissioners				33 months after date of EDA approval	
STREET ADDRESS				FEDERAL SHARE OF COST	
1 Courthouse Square				\$ 2,222,412.00	
CITY, STATE, ZIP CODE				RECIPIENT SHARE OF COST	
Kissimmee, Florida 34741				\$ 3,779,443.00	
RECIPIENT NAME				TOTAL ESTIMATED COST	
The University of Central Florida Board of Trustees				\$ 6,001,855.00	
STREET ADDRESS					
12201 Research Parkway, Suite 501					
CITY, STATE, ZIP CODE					
Orlando, Florida 32826					
RECIPIENT NAME					
ICAMR, Inc.					
STREET ADDRESS					
400 W. Emmett Street					
CITY, STATE, ZIP CODE					
Kissimmee, Florida 34741					
AUTHORITY					
Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 et seq.)					
CFDA NO. AND NAME					
11.300 Public Works Program					
PROJECT TITLE					
Clean Room Construction					
<p>This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.</p>					
<input type="checkbox"/> DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (DECEMBER 2014) <input type="checkbox"/> R & D AWARD <input type="checkbox"/> FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE <input checked="" type="checkbox"/> SPECIAL AWARD CONDITIONS (see attached Exhibit "A") <input checked="" type="checkbox"/> LINE ITEM BUDGET (see Attachment No. 1) <input checked="" type="checkbox"/> 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101 <input checked="" type="checkbox"/> 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES <input type="checkbox"/> MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION <input checked="" type="checkbox"/> OTHER(S): <u>EDA Standard Terms and Conditions for Construction Projects, dated February 12, 2016</u>					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER				DATE	
H. Philip Paradise, Jr., Director, Atlanta Regional Office				8/9/16	
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Viviana Janer, County Chairwoman, Osceola County Board of County Commissioners				8/15/16	
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Jane Gentilini, Associate Director, Contracts & Grants, The University of Central Florida Board of Trustees					
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Fran Korosee, Director, Business Operations, ICAMR, Inc.					

ADMINISTRATION ELECTRONIC FORM

FORM CD-450 (REV. 12-14)		U.S. DEPARTMENT OF COMMERCE		<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT	
<b>FINANCIAL ASSISTANCE AWARD</b>				FEDERAL AWARD ID NUMBER	
				04-01-07149	
RECIPIENT NAME				PERIOD OF PERFORMANCE	
Osceola County Board of County Commissioners				33 months after date of EDA approval	
STREET ADDRESS				FEDERAL SHARE OF COST	
1 Courthouse Square				\$ 2,222,412.00	
CITY, STATE, ZIP CODE				RECIPIENT SHARE OF COST	
Kissimmee, Florida 34741				\$ 3,779,443.00	
RECIPIENT NAME				TOTAL ESTIMATED COST	
The University of Central Florida Board of Trustees				\$ 6,001,855.00	
STREET ADDRESS					
12201 Research Parkway, Suite 501					
CITY, STATE, ZIP CODE					
Orlando, Florida 32826					
RECIPIENT NAME					
ICAMR, Inc.					
STREET ADDRESS					
400 W. Emmett Street					
CITY, STATE, ZIP CODE					
Kissimmee, Florida 34741					
AUTHORITY					
Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 et seq.)					
CFDA NO. AND NAME					
11.300 Public Works Program					
PROJECT TITLE					
Clean Room Construction					
<p>This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.</p>					
<input type="checkbox"/> DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (DECEMBER 2014) <input type="checkbox"/> R & D AWARD <input type="checkbox"/> FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE <input checked="" type="checkbox"/> SPECIAL AWARD CONDITIONS (see attached Exhibit "A") <input checked="" type="checkbox"/> LINE ITEM BUDGET (see Attachment No. 1) <input checked="" type="checkbox"/> 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101 <input checked="" type="checkbox"/> 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES <input type="checkbox"/> MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION <input checked="" type="checkbox"/> OTHER(S): <u>EDA Standard Terms and Conditions for Construction Projects, dated February 12, 2016</u>					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER				DATE	
H. Phillip Paradise, Jr., Director, Atlanta Regional Office				8/9/16	
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Viviana Janer, County Chairwoman, Osceola County Board of County Commissioners					
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Jane Gentilini, Associate Director, Contracts & Grants, The University of Central Florida Board of Trustees					
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE	
Fran Korosko, Director of Business Operations, ICAMR, Inc.				8/22/16	
ADMINISTRATION ELECTRONIC FORM					
Chester Kennedy, CEO					

FORM CD-450 (REV. 12-14)		U.S. DEPARTMENT OF COMMERCE		<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT
<b>FINANCIAL ASSISTANCE AWARD</b>				FEDERAL AWARD NUMBER
				04-01-07149
RECIPIENT NAME		PERIOD OF PERFORMANCE		
Osceola County Board of County Commissioners		33 months after date of EDA approval		
STREET ADDRESS		FEDERAL SHARE OF COST		
1 Courthouse Square		\$ 2,222,412.00		
CITY, STATE, ZIP CODE		RECIPIENT SHARE OF COST		
Kissimmee, Florida 34741		\$ 3,779,443.00		
RECIPIENT NAME		TOTAL ESTIMATED COST		
The University of Central Florida Board of Trustees		\$ 6,001,855.00		
STREET ADDRESS				
12201 Research Parkway, Suite 501				
CITY, STATE, ZIP CODE				
Orlando, Florida 32826				
RECIPIENT NAME				
ICAMR, Inc.				
STREET ADDRESS				
400 W. Emmett Street				
CITY, STATE, ZIP CODE				
Kissimmee, Florida 34741				
AUTHORITY				
Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 et seq.)				
CFDA NO. AND NAME				
11.300 Public Works Program				
PROJECT TITLE				
Clean Room Construction				
<p>This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.</p>				
<input type="checkbox"/> DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (DECEMBER 2014) <input type="checkbox"/> R & D AWARD <input type="checkbox"/> FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE <input checked="" type="checkbox"/> SPECIAL AWARD CONDITIONS (see attached Exhibit "A") <input checked="" type="checkbox"/> LINE ITEM BUDGET (see Attachment No. 1) <input checked="" type="checkbox"/> 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101 <input checked="" type="checkbox"/> 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES <input type="checkbox"/> MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION <input checked="" type="checkbox"/> OTHER(S): <u>EDA Standard Terms and Conditions for Construction Projects, dated February 12, 2019</u>				
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER				DATE
H. Philip Paradise, Jr., Director, Atlanta Regional Office				8/17/16
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE
Viviana Janer, County Chairwoman, Osceola County Board of County Commissioners				
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE
Thomas P. O'Neal, Associate Vice President, University of Central Florida				Legal Content Approved 8/25/2016
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL				DATE
Fran Korosec, Director, Business Operations, ICAMR, Inc.				

ADMINISTRATION ELECTRONIC FORM



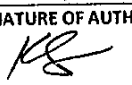
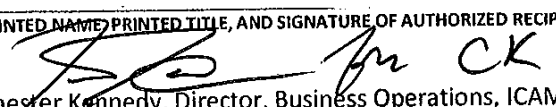
FORM CD-451 (REV 12-14)		<b>U.S. DEPARTMENT OF COMMERCE</b>  <b>AMENDMENT TO</b> <b>FINANCIAL ASSISTANCE AWARD</b>			<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT
		FEDERAL AWARD ID NUMBER 04-01-07149			
CFDA NO. AND NAME					
11.300 Public Works /					
PROJECT TITLE					
Specialize Clean Room Equipment Inst.					
RECIPIENT NAME				AMENDMENT NUMBER	
Osceola County Board of county Commissioners				1	
STREET ADDRESS				EFFECTIVE DATE	
1 Courthouse Square				<b>Date of Award Amendment Approval</b>	
CITY, STATE, ZIP CODE				EXTEND PERIOD OF PERFORMANCE TO (IF APPLICABLE)	
Kissimmee, Florida 34741				0	
RECIPIENT NAME					
The University of Central Florida Board of Trustees					
STREET ADDRESS					
12201 Research Parkway, Suite 501					
CITY, STATE, ZIP CODE					
Orlando, Florida 32826					
RECIPIENT NAME					
ICAMR, Inc.					
STREET ADDRESS					
400 W. Emmett Street					
CITY, STATE, ZIP CODE					
Kissimmee, Florida 34741					
COSTS ARE REVISED AS FOLLOWS:	PREVIOUS ESTIMATED COST	ADD	DEDUCT	TOTAL ESTIMATED COST	
FEDERAL SHARE OF COST	\$ 2,222,412.00	\$	\$	\$ 2,222,412.00	
RECIPIENT SHARE OF COST	\$ 3,779,443.00	\$	\$ 1,501,855.00	\$ 2,277,588.00	
TOTAL ESTIMATED COST	\$ 6,001,855.00	\$	\$ 1,501,855.00	\$ 4,500,000.00	
REASON(S) FOR AMENDMENT.					
Change of the Scope-of-Work and the Project Budget					
<p>This Amendment Document (Form CD-451) signed by the Grants Officer constitutes an Amendment of the above-referenced Award, which may include an obligation of Federal funding. By signing this Form CD-451, the Recipient agrees to comply with the Amendment provisions checked below and attached, as well as previous provisions incorporated into the Award. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Amendment offer and de-obligate any associated funds.</p> <p> <input checked="" type="checkbox"/> Special Award Conditions  <input checked="" type="checkbox"/> Line Item Budget  <input type="checkbox"/> Other(s): _____         </p>					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER					DATE
 H. Philip Paradise, Jr., Director, Atlanta Region					4/20/17
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL					DATE
Brandon Arrington, County Chairman, Osceola County Board of County Commissioners 					5/11/17
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL Approved as to Form and Legality On behalf of SWS-RJ, 5-18-17 University of Central FL Board of Trustees					DATE
Kim Smith, Director 					5.18.17
PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL					DATE
 Chester Kennedy, Director, Business Operations, ICAMR, Inc.					5-18-17

EXHIBIT "A"

U.S. DEPARTMENT OF COMMERCE  
Economic Development Administration (EDA)

---

Public Works and Development Facilities  
Amendment No.1

Investment No.: 04-01-07149

Recipient: Osceola County Board of County Commissioners/The University of Central Florida Board of Trustees, FL

The following amended award condition(s) is updated:

AMENDED SPECIAL AWARD CONDITION

9. SCOPE OF WORK: Recipient(s) agrees to undertake, prosecute and complete the Scope of Work (SOW) for this Project funded by this Award which SOW is approved and agreed to by the Government as subsequently amended in mutually agreed upon written change order(s) and/or SOW amendment(s), if any. The SOW shall be as set forth and described in a.) the application submitted by Recipient(s) and/or Recipient's authorized representative(s) to the Government for this Award together with b.) all enclosures, materials, documents and other submittals accompanying and supporting the application, c.) all additional materials, documents and/or correspondence requested by the Government and submitted by Recipient(s) and/or Recipient's authorized representative(s) in support and furtherance of the application and d.) such change(s) and/or SOW amendments, if any, requested in writing by the Recipient(s) and/or Recipient's authorized representative subsequent to the date of this Award and approved and agreed to in writing by the Government. To the extent such additional materials, documents and/or correspondence amends and/or clarifies the application, such amendment or clarification shall be controlling. It is agreed that the Recipient(s) and Government intend that the SOW describes a discrete, detailed and specific project that is funded and authorized by this Award and to that end the application and the above described additional information shall be fairly construed to and shall describe the SOW. The scope of work for this project is further described below:

This investment will provide for the installation of electrical connections to specialized equipment, high purity processing piping, de-ionized water line connection, drains, building exhaust fan and mechanical exhaust connections specific to the specialized R/D and manufacturing equipment being placed in the cleanroom. As part of this process, certain equipment will also need specialized isolation pedestals that will be permanently anchored in the cleanroom. In addition, some of the specialized equipment will also require dedicated Fire suppression system and Fire Alarm tie in points to the building Fire alarm. Once the installation process is completed, the entire installation will be certified by a 3rd party quality control contractor to verify gas line purity and integrity.



Attachment No. 1

Form ED-508  
(Rev. 3/89)U.S. DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION

## PUBLIC WORKS PROJECT COST CLASSIFICATIONS

EDA Investment No. 04-01-07149

State: Florida

County: Osceola

<u>Cost Classification</u>	<u>Approved</u>	<u>Revised</u>
Administrative and legal expenses	\$ 25,000	\$ 0
Land, structures, and rights-of-way appraisals, etc.		
Relocation expenses and payments (Cost incidental to transfer of titles)		
Architectural and engineering fees	500,000	0
Other architectural and engineering fees		
Project inspection fees and audit	60,000	0
Site Work		
Demolition and removal		
Construction	5,234,174	4,275,000
Equipment		
Miscellaneous		
Contingencies	182,681	225,000
<b>TOTAL PROJECT COSTS</b>	<b>\$6,001,855</b>	<b>\$4,500,000</b>

## Remarks:

The project budget is reduced as a result of the new cost of the changed Scope-of-Work.

Attachment C

**General Summary of Changes**

Pursuant to the terms of the financial assistance award, the United States Department of Commerce Economic Development Administration (EDA) conducted a review of the revised and restated development agreement and lease. Based upon the scope of work, EDA deems the useful life of the research and development center project funded by the EDA grant to be 20 years.

EDA has agreed their obligations will terminate at the end of the useful life, including the subordination agreement. The transfer of title to UCF from Osceola County is to occur upon expiration of the lease in 40 years, or following the date on which the sales tax bonds have been retired. Accordingly, transfer of title will be subject to EDA review if the sales tax bonds are retired in less than 20 years.

**Development Agreement**

References to the EDA and award were formalized, including for the management services agreement, and a requirement was added for UCF to provide the EDA with a copy of the UCF-ICAMR/BRIDG management services agreement.

**Lease**

References to the EDA and award were formalized.

EDA required terms have been added:

- Osceola County's insurance obligation for the research and development building changed to "full replacement value" in lieu of "insurable value". §3.14
- Any UCF Master Services Agreement with a party other than ICAMR must be reviewed and approved by EDA. §4.02
- No assignments are permitted without EDA's prior written consent. §6.06.
- Execution and recordation of Memorandum of Lease is required. §6.20
- UCF expressly acknowledges Osceola County's obligations and agrees to execute a Covenant of Use, Purpose, and Ownership. §6.21

New Appendix B, Form of Memorandum of Lease, and addition of Appendix C, Form of Subordination Agreement, were added:

- Memorandum of Lease, upon recordation, provides for notice of the existence of the Lease.
- Subordination Agreement renders the lease subordinate to the covenant, confirms any right to acquire title is "subject, junior, and subordinate" to the rights of EDA, and requires the parties to notify EDA if there is allegation of default, breach or non-performance, and the corrective or remedial action(s), or the reason for none.

*\*3.01(B) – UCF reference documents and visual inspection date pending.*

*\*4.01 and 4.02 - Subject to final review by Osceola County bond counsel (Mitch Rapaport, Nixon Peabody), but are not expected to substantively change.*