



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Finance and Facilities Committee Meeting
May 24, 2018
10:30 a.m.
FAIRWINDS Alumni Center
Conference call in phone number 800-442-5794, passcode 463796**

REVISED AGENDA

- | | |
|--|--|
| I. CALL TO ORDER | Alex Martins
<i>Chair, Finance and Facilities Committee</i> |
| II. ROLL CALL | Tracy D. Slavik
<i>Coordinator of Administrative Services
for Administration and Finance Division</i> |
| III. NEW BUSINESS | Chair Martins |
| <ul style="list-style-type: none">• Repeat Course Fee for 2018-19 (INFO-1) | William F. Merck II
<i>Vice President for Administration and
Finance and Chief Financial Officer</i>
Christina Tant
<i>Assistant Vice President and
University Controller</i> |
| <ul style="list-style-type: none">• University Operating Budget Report
Quarter Ended March 31, 2018 (INFO-2) | William F. Merck II
Christina Tant |
| <ul style="list-style-type: none">• 2018-19 University Operating Budget
(FFC-1) | William F. Merck II
Christina Tant |
| <ul style="list-style-type: none">• 2018-19 Capital Outlay Budget (FFC-2) | William F. Merck II
Lee Kernek
<i>Associate Vice President
for Administration and Finance</i> |

- UCF Convocation Corporation Unrestricted Funds Transfer (FFC-3) William F. Merck II
John C. Pittman
Associate Vice President for Administration and Finance, Debt Management
- Use of Spectrum Stadium for Professional Football Games (FFC-4) William F. Merck II
David Hansen
Chief Operating Officer
Scott Carr
Deputy Athletics Director, Brand Activation
- Use of Spectrum Stadium for International Soccer Match (FFC-5) William F. Merck II
David Hansen
Scott Carr
- PEO-STRI Leases of Partnership IV and V (FFC-6) Dan Holsenbeck
Senior Vice President for University Relations
Lee Kernek
- Refinancing of UCF Convocation Corporation Series 2014A and B Certificates of Participation (FFC-7) William F. Merck II
John C. Pittman
- Equipment Fees for 2018-19 (INFO-3) Elizabeth Klonoff
Vice President for Research and Dean of the College of Graduate Studies
Keisha Hoerrner
Interim Assistant Vice Provost for Teaching and Learning and Associate Dean of the College of Undergraduate Studies

IV. OTHER BUSINESS

Chair Martins

V. CLOSING COMMENTS

Chair Martins

ITEM: INFO-1

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

SUBJECT: Repeat Course Fee for 2018-19

DATE: May 24, 2018

BACKGROUND INFORMATION

Pursuant to Florida Statute 1009.85 “Fees for repeated enrollment in college credit courses,” each student enrolled in the same undergraduate college-credit course more than twice shall pay tuition at 100 percent of the full cost of instruction. This increase in costs per credit hour is referred to as the repeat course fee.

The full cost of instruction is based on the system-wide average of the prior year’s cost of undergraduate programs in the state university system using the expenditure analysis report, which is submitted to the Board of Governors each fall. The fee is adjusted each year by the Board of Governors as a result of the change in cost of undergraduate programs.

	Current	Updated	Dollar Increase	Percent Increase
Repeat Course Fee	\$ 181.12	\$ 190.84	\$ 9.72	5.4%

Prepared by: Christina Tant, Assistant Vice President and University Controller

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

ITEM: INFO-2

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

SUBJECT: University Operating Budget Report Quarter Ended March 31, 2018

DATE: May 24, 2018

For information only.

Supporting documentation: Attachment A: UCF Operating Budget Quarterly Report

Prepared by: Christina Tant, Assistant Vice President and University Controller

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

Attachment A

**University of Central Florida
Operating Budget Status**

March 31, 2018

Year-to-Date Activity and Variances

The attached reports include revenues and expenditures for the nine months ended March 31, 2018, compared to the operating budget. Student credit hours are 1.0 percent higher than the enrollment plan and 3.7 percent higher than the prior year. Overall, revenues and expenditures as a percent of the operating budget are 74 percent and 67 percent, respectively, compared to 70 percent and 65 percent in the prior year. Specific activities and variances in certain budget categories are described below.

Educational & General

Revenues increased \$40.9 million. Tuition and fees increased due to growth in enrollment and an increase in out-of-state students. State appropriations increased primarily due to increased emerging preeminence funding and other appropriations supporting new faculty, scholarships, and doctoral assistantships.

Expenditures increased by \$28.8 million due to repairs and investments in energy, infrastructure, and other campus improvements, as well as non-need based scholarships. Salaries and benefits increased \$11 million due to investments in the university faculty hiring plan as well as annual increases in salary, health, and retirement benefits.

Medical School

Revenues and expenditures were consistent with prior year.

Auxiliary

Revenues increased by \$16 million from various sources, including medical residency programs, market rate programs, sponsorships, investment income, and food service contracts.

Expenditures increased by \$16.4 million due to funding transfers for the construction of the downtown campus and increases in salaries and benefits for medical residency programs.

Sponsored Research

Revenues increased by \$4.9 million, primarily related to increases in state and private grants, and expenditures decreased \$4.0 million, primarily related to decreases in subcontractor research expenses.

University of Central Florida Operating Budget Status

March 31, 2018

Student Financial Aid

Revenues increased by \$52.4 million. State funding for Bright Futures increased by \$19.5 million. Florida Academic Scholars (the top tier) now receive 100 percent of tuition and application fees. Funding for Florida Student Assistance Grants increased \$12.8 million due to an increase in state funding for the program. Institutional funding increased for non-need based scholarships. Federal Pell Grants and loans increased \$8.3 million.

Expenditures increased \$52.4 million. State, institutional, and federal-funded awards increased by \$33 million, \$8.2 million, and \$8.1 million, respectively.

Student Activities

Revenues were consistent with prior year. Expenses decreased \$1.7 million of which \$0.8 million was due to a repayment of a short-term advance from auxiliary general operations in the prior year.

Concessions

Revenues decreased due to the timing of receipt of commission and sponsorship revenue from Coca-Cola. Expenses were consistent with the prior year.

Technology Fee

Technology fee revenues and expenses were consistent with the prior year. Approximately 21 percent of 2017-18, 72 percent of 2016-17, and 95 percent of the prior years' awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress.

University of Central Florida Operating Budget Report

as of March 31, 2018 (75% of year)

2017-18

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 540,640,640	\$ 461,272,557	\$ 803,711,405	57.4%	67.3%	\$ 79,368,083	\$ 171,372,145
Medical School	32,382,167	32,556,826	55,816,257	58.3%	58.0%	(174,659)	16,551,914
Auxiliary Enterprises	173,884,627	155,734,913	275,887,508	56.4%	63.0%	18,149,714	152,958,754
Sponsored Research	109,503,682	99,229,322	163,703,000	60.6%	66.9%	10,274,359	14,105,576
Student Financial Aid	485,234,396	481,139,380	515,975,644	93.2%	94.0%	4,095,016	31,352,047
Student Activities	17,467,352	13,406,750	28,217,277	47.5%	61.9%	4,060,602	9,930,928
Concessions	164,237	514,333	750,000	68.6%	21.9%	(350,096)	1,228,548
Technology Fee	7,880,111	5,975,404	9,100,000	65.7%	86.6%	1,904,707	9,471,663
	<u>\$ 1,367,157,213</u>	<u>\$ 1,249,829,486</u>	<u>\$ 1,853,161,091</u>	<u>67.4%</u>	<u>73.8%</u>	<u>\$ 117,327,726</u>	<u>\$ 406,971,576</u>

2016-17

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 499,782,807	\$ 432,489,319	\$758,974,527	57.0%	65.8%	\$ 67,293,488	\$ 156,615,927
Medical School	31,159,069	31,894,704	58,902,394	54.1%	52.9%	(735,635)	20,959,005
Auxiliary Enterprises	157,850,718	139,323,392	251,990,997	55.3%	62.6%	18,527,326	167,003,290
Sponsored Research	104,546,298	103,317,099	160,694,000	64.3%	65.1%	1,229,199	23,155,510
Student Financial Aid	432,815,732	428,783,650	513,219,163	83.5%	84.3%	4,032,082	28,184,468
Student Activities	17,505,736	15,081,149	23,750,000	63.5%	73.7%	2,424,587	9,832,332
Concessions	465,597	505,548	750,000	67.4%	62.1%	(39,951)	1,369,302
Technology Fee	7,785,445	5,032,715	9,100,000	55.3%	85.6%	2,752,730	8,648,574
	<u>\$ 1,251,911,402</u>	<u>\$ 1,156,427,576</u>	<u>\$ 1,777,381,081</u>	<u>65.1%</u>	<u>70.4%</u>	<u>\$ 95,483,826</u>	<u>\$ 415,768,408</u>

University of Central Florida Operating Expenditure Report

as of March 31, 2018 (75% of year)

2017-18

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 303,034,864	\$ 151,411,829	\$ 6,825,865	\$ -	\$ 461,272,557	65.7%	32.8%	1.5%	-	100.0%
Medical School	24,444,939	6,938,688	1,117,402	55,798	32,556,826	75.1%	21.3%	3.4%	0.2%	100.0%
Auxiliary Enterprises	65,354,031	79,369,670	1,469,333	9,541,879	155,734,913	42.0%	51.0%	0.9%	6.1%	100.0%
Sponsored Research	46,315,517	50,856,977	2,056,829	-	99,229,322	46.7%	51.3%	2.1%	-	100.0%
Student Financial Aid	3,887,100	477,247,198	5,082	-	481,139,380	0.8%	99.2%	0.0%	-	100.0%
Student Activities	7,216,886	6,172,987	16,111	767	13,406,750	53.8%	46.0%	0.1%	0.0%	100.0%
Concessions	818	513,515	-	-	514,333	0.2%	99.8%	-	-	100.0%
Technology Fee	169,806	5,043,713	761,885	-	5,975,404	2.8%	84.4%	12.8%	-	100.0%
	\$ 450,423,960	\$ 777,554,575	\$ 12,252,507	\$ 9,598,443	\$ 1,249,829,486	36.0%	62.2%	1.0%	0.8%	100.0%

2016-17

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 292,020,224	\$ 133,593,934	\$ 6,875,161	\$ -	\$ 432,489,319	67.5%	30.9%	1.6%	-	100.0%
Medical School	22,226,396	8,060,255	1,608,053	-	31,894,704	69.7%	25.3%	5.0%	-	100.0%
Auxiliary Enterprises	49,311,319	78,405,909	1,979,932	9,626,232	139,323,392	35.4%	56.3%	1.4%	6.9%	100.0%
Sponsored Research	43,949,887	53,758,289	5,608,923	-	103,317,099	42.5%	52.0%	5.4%	-	100.0%
Student Financial Aid	2,992,957	425,790,693	-	-	428,783,650	0.7%	99.3%	-	-	100.0%
Student Activities	7,294,160	7,764,059	22,930	-	15,081,149	48.4%	51.5%	0.2%	-	100.0%
Concessions	1,528	504,021	-	-	505,548	0.3%	99.7%	-	-	100.0%
Technology Fee	169,710	4,192,138	670,867	-	5,032,715	3.4%	83.3%	13.3%	-	100.0%
	\$ 417,966,181	\$ 712,069,297	\$ 16,765,865	\$ 9,626,232	\$ 1,156,427,576	36.1%	61.6%	1.4%	0.8%	100.0%

University of Central Florida Operating Budget Report

as of March 31, 2018 (75% of year)

Statistical Information

Student Credit Hours¹

Actual Compared to UCF Plan

	2017-18				2016-17			
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer	254,450	253,151	1,267	0.5%	244,369	239,222	5,147	2.2%
Fall	712,335	704,555	7,780	1.1%	690,075	685,040	5,035	0.7%
Spring ²	686,406	679,317	7,089	1.0%	660,185	657,650	2,535	0.4%
	1,653,159	1,637,023	16,136	1.0%	1,594,629	1,581,912	12,717	0.8%

Current Year Compared to Prior Year

	2017-18				2016-17			
	2017-18	2016-17	Difference	% Variance	2016-17	2015-16	Difference	% Variance
Summer	254,450	244,369	10,049	4.1%	244,369	233,465	10,904	4.7%
Fall	712,335	690,075	22,260	3.2%	690,075	673,558	16,517	2.5%
Spring ²	686,406	660,185	26,221	4.0%	660,185	644,212	15,973	2.5%
	1,653,159	1,594,629	58,530	3.7%	1,594,629	1,551,235	43,394	2.8%

Additional Statistical Information

	2017-18	2016-17	Difference	% Variance
Student headcount - Fall 2017 and 2016	66,180	64,335	1,845	2.9%
Percent in-state students - Fall 2017 and 2016	91.5%	92.5%	-1.0%	
Foundation endowment - June 30, 2017, and 2016	\$ 155,232,331	\$ 144,921,082	\$ 10,311,249	7.1%
Foundation assets - June 30, 2017, and 2016	\$ 320,594,257	\$ 301,206,225	\$ 19,388,032	6.4%
On-campus housing, including Greek housing ³	6,907			
Rosen Campus housing ³	384			
Affiliated housing ³	3,756			
Managed housing ³	594			
Gross square footage - Orlando Campus ³	9,191,366			
Acreage - Orlando Campus ³	1,415			

¹ Medical students are not included in student credit hours.

² Spring 2018 data are preliminary.

³ As of Fall 2017.

University of Central Florida Operating Budget Status

March 31, 2018

Budgets

Educational & General. The Educational & General budget includes expenditures for instructional activities and related administrative support. This budget is funded by general revenue, Educational Enhancement funds, and student fees. E&G student fees include tuition and out-of-state fees.

Auxiliary Enterprises. Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, and Material and Supply Fees.

Sponsored Research. Sponsored research includes research activities that are funded by federal, state, local, and private funds.

Student Financial Aid. The student financial aid budget largely represents scholarship and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the Fall and Spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

Student Activities. The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes all expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

Concessions. The concessions budget is funded from vending commissions and related sponsorship revenue. These funds are used for events and other expenditures that support the university.

Technology Fee. The technology fee was established in January 2009 as allowed by Florida Statute 1009.24. The university began charging 5 percent of the tuition per credit hour beginning in the Fall term of the 2009-10 academic year. A committee and guidelines for the allocation and use of the technology resources were established. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

University of Central Florida Operating Budget Status

March 31, 2018

Expenditure Categories

Salaries and Benefits. Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 30 percent of salaries for permanent employees.

Expenses. Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

Capital Purchases. Capital purchases include personal property with a value of \$5,000 or more and library resources with a value of \$250 or more, and an expected life of one year or more.

Debt Service. Debt service includes principal and interest payments on bonds and other loans within the university.

ITEM: FFC-1

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

SUBJECT: 2018-19 University Operating Budget

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the university's 2018-19 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 and Medical School budgets reflect the amounts proposed by the legislature and approved by the governor. All other budgets were compiled using requests from individual departments and a review of expected revenue, expenditures, and fund balances for each area. Performance-based funding is subject to final approval by the Board of Governors in June.

Supporting Documentation: Attachment A: 2018-19 Proposed Operating Budget
Attachment B: Changes in E&G Funding
Attachment C: Auxiliary Enterprises Proposed Operating Budget
Attachment D: 2017-18 Expenditures vs. Budget

Prepared by: Christina Tant, Assistant Vice President and University Controller

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

Attachment A

University of Central Florida 2018-19 Proposed Operating Budget

	<u>2018-19 Proposed Budget</u>	<u>2017-18 Operating Budget</u>	<u>% Increase (Decrease)</u>	<u>\$ Increase (Decrease)</u>
Educational & General (E&G) ¹				
General Revenue ²	\$ 350,793,697	\$ 348,955,320	1%	\$ 1,838,377
Student Tuition and Fees	296,811,834	288,814,929	3%	7,996,905
Total Educational and General	<u>647,605,531</u>	<u>637,770,249</u>	2%	<u>9,835,282</u>
Medical School (E&G) ¹				
General Revenue	29,886,512	26,502,271	13%	3,384,241
Student Tuition and Fees	15,628,646	15,718,052	-1%	(89,406)
Total Educational and General	<u>45,515,158</u>	<u>42,220,323</u>	8%	<u>3,294,835</u>
Auxiliary Enterprises ³	293,773,689	275,887,508	6%	17,886,181
Sponsored Research ⁴	171,988,000	163,703,000	5%	8,285,000
Student Financial Aid ⁵	620,465,788	515,975,644	20%	104,490,144
Student Activities ⁶	23,729,718	28,217,277	-16%	(4,487,559)
Technology Fee	9,100,000	9,100,000	0%	-
Concessions	750,000	750,000	0%	-
Total Operating Budget	<u><u>\$ 1,812,927,884</u></u>	<u><u>\$ 1,673,624,001</u></u>	8%	<u><u>\$ 139,303,883</u></u>

¹ See Attachment B for detail of the change in budget.

² The allocation of new Performance-based Funding will be approved by the Board of Governors in June. The 2018-19 proposed budget includes the amount expected to be approved.

³ See Attachment C for detail of the change in budget.

⁴ Increase in Sponsored Research is primarily due to the Arecibo Observatory award.

⁵ Increase is primarily due to an increase in funding for a change in legislation that makes Bright Futures and Pell Grants available for Summer courses. The Bright Futures Medallion program was also amended to cover 75 percent of tuition and fees, which is a 40 percent increase over prior year.

⁶ Decrease is primarily due to a non-recurring \$4.5 million investment in the Student Union expansion in 2017-18.

Attachment B

University of Central Florida Changes in E&G Funding

Changes in University E&G Funding	State Appropriations	Tuition and Fees	Total
2017-18 adjusted operating budget	\$ 348,955,320	\$ 288,814,929	\$ 637,770,249
Reversal of non-recurring items:			
Advanced Manufacturing Sensor Project	(2,500,000)		(2,500,000)
PTSD Clinic for Florida Veterans and First Responders	(1,500,000)		(1,500,000)
World Class Faculty and Scholar Program	3,335,656		3,335,656
Professional and Graduate Degree Excellence Program	875,350		875,350
Performance-based Funding	1,830,469		1,830,469
Emerging Preeminent University	1,538,462		1,538,462
Florida Retirement System	916,204		916,204
Permanent transfer to UCF Medical ¹	(3,307,764)		(3,307,764)
2018-19 projected credit hour growth		7,996,905	7,996,905
Subtotal	1,188,377	7,996,905	9,185,282
Unique University issues:			
<u>Non-recurring allocations:</u>			
PTSD Clinic for Florida Veterans and First Responders	500,000		500,000
Florida FIRST Robotics Team Grant	150,000		150,000
Subtotal	650,000	-	650,000
Net increase	1,838,377	7,996,905	9,835,282
2018-19 beginning budget	\$ 350,793,697	\$ 296,811,834	\$ 647,605,531

¹ Primarily due to 2017-18 state funding to support excellence in medicine.

Attachment B (Continued)

University of Central Florida Changes in E&G Funding

Changes in Medical School E&G Funding

	State Appropriations	Tuition and Fees	Total
2017-18 adjusted operating budget	\$ 26,502,271	\$ 15,718,052	\$ 42,220,323
Out of state enrollment decrease		(89,406)	(89,406)
Permanent transfer from University ¹	3,307,764		3,307,764
Florida retirement system adjustments	76,477		76,477
Net increase	3,384,241	(89,406)	3,294,835
2018-19 beginning budget	\$ 29,886,512	\$ 15,628,646	\$ 45,515,158

¹ Primarily due to 2017-18 state funding to support excellence in medicine.

Attachment C

University of Central Florida Auxiliary Enterprises Proposed Operating Budget

	2018-19 Proposed Budget	2017-18 Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
Housing ¹	\$ 33,805,278	\$ 34,267,850	-1%	\$ (462,572)
Parking Services ^{1,2}	23,062,903	27,131,654	-15%	(4,068,751)
Student Health Services ¹	22,045,222	22,207,331	-1%	(162,109)
Business Services ²	15,929,645	20,794,122	-23%	(4,864,477)
UCF IT / Shared Services	31,520,000	31,520,000	0%	-
Academic Support - Colleges	8,529,929	8,826,376	-3%	(296,447)
Academic Support - Medical School ³	23,691,079	20,378,556	16%	3,312,523
Academic Support - Other	13,252,443	14,163,638	-6%	(911,195)
Student Development and Enrollment Services	12,537,542	12,537,542	0%	-
Distance Learning ⁴	16,229,888	8,879,945	83%	7,349,943
Continuing Education, EMBA	9,512,745	9,106,963	4%	405,782
Material and Supply, Equipment Fees	6,389,806	6,621,977	-4%	(232,171)
Energy Management and Sustainability	20,900,000	20,915,000	0%	(15,000)
Other Auxiliaries ⁵	19,105,609	21,576,001	-11%	(2,470,392)
Central Reserves ⁶	37,261,600	16,960,553	120%	20,301,047
Total Auxiliary Enterprises	<u>\$ 293,773,689</u>	<u>\$ 275,887,508</u>	<u>6%</u>	<u>\$ 17,886,181</u>

¹ The operating budgets for the university's Auxiliary facilities with outstanding revenue bonds were approved by this committee on January 18, 2018, pursuant to amended BOG regulation 9.008.

² Decrease in Parking and Business Services is primarily due to a decrease in anticipated construction transfers related to the UCF Downtown parking garage and Student Union expansion.

³ The increase in Academic Support - Medical School is due to the continuous growth in the medical residency program. Funding is provided through partnerships with hospitals.

⁴ Increase in Distance Learning is due to the planned use of reserves to fund a five-year lease for the L3 building on Research Parkway, expenditures related to the move and furnishing of the building, and additional investment in course redesign and faculty support.

⁵ Other Auxiliaries includes the university's administrative units. Decrease is due to a non-recurring construction expense to bring chiller lines to the north end of campus.

⁶ The Central Reserves budget includes an increase for UCF's contribution for the UCF Downtown academic building.

Attachment D

University of Central Florida

2017-18 Expenditures vs. Budget

(as of March 31, 2018 - 75% of year)

	Expenditures as of March 31, 2018	2017-18 Operating Budget	Percent Spent	2016-17 Full Year Percent Spent
Educational & General¹	\$ 461,272,557	\$ 803,711,405	57.4%	79.0%
Medical School¹	32,556,826	55,816,257	58.3%	78.2%
Auxiliary Enterprises	155,734,913	275,887,508	56.4%	86.8%
Sponsored Research	99,229,322	163,703,000	60.6%	93.3%
Student Financial Aid	481,139,380	515,975,644	93.2%	92.4%
Student Activities	13,406,750	28,217,277	47.5%	88.7%
Technology Fee	5,975,404	9,100,000	65.7%	93.0%
Concessions	514,333	750,000	68.6%	87.5%
Total Operating Budget	<u>\$ 1,249,829,485</u>	<u>\$ 1,853,161,091</u>	<u>67.4%</u>	<u>85.5%</u>

¹ The 2017-18 Operating Budget includes carryforward funds for which spending authority was approved in a previous year.

ITEM: FFC-2

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

SUBJECT: 2018-19 Capital Outlay Budget

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the university's 2018-19 capital outlay budget and authorize the president to make necessary adjustments to the 2018-19 capital outlay budget based on the final bill from the state.

BACKGROUND INFORMATION

Pursuant to Florida Statute 1013.61, each university's Board of Trustees must adopt an annual capital outlay budget that designates proposed expenditures by project. The attached University of Central Florida 2018-19 capital outlay budget reflects \$0 for all but the Capital Improvement Trust Fund; maintenance, repair, renovation, and remodeling projects; and projects constructed or acquired with proceeds from non-state sources, including debt, categories.

As per the Finance and Facilities Committee charter, all new construction and renovation projects exceeding \$2 million in construction costs, and all changes to projects that exceed \$2 million in construction costs or that increase project costs by more than 10 percent of the original estimate presented to the committee will be brought before the committee for review.

Approval is sought for the attached budget along with authorization for the president to make changes to this budget when final numbers are received from the state.

Supporting documentation: Attachment A: 2018-19 Capital Outlay Budget

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

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

**2018-19 Capital Outlay Budget
Projects By Funding Source**

Projects funded by Public Education Capital Outlay (PECO)	2018-19	Funded
Utilities, Infrastructure, Capital Renewal, and Roofs (P,C)	\$ 14,000,000	\$ -
Research Building I (P,C,E)	23,639,773	-
Engineering Building I Renovation (C,E)	17,745,473	-
College Of Nursing And Allied Health, Health Sciences Campus (P,C,E)	8,321,670	-
Mathematical Sciences Remodeling and Renovation (C,E)	11,970,963	-
Trevor Colbourn Hall and Colbourn Demolition (P,C,E)	38,000,000	-
John C. Hitt Library Phase II	2,411,142	-
Arts Complex Phase I (Performance) (P,C,E)	3,060,000	-
TOTAL	\$ 119,149,021	\$ -

Projects funded by donations and the Courtelis Facility Matching Grant Program	Cumulative 2018-19	
	Donations	Courtelis
Laboratory Instruction Building (P,C,E)	\$ 15,372,777	\$ -
Performing Arts Fund (E)	144,652	-
Career Services and Experiential Center (E)	196,950	-
Caracol in Belize (P,C,E)	350,000	-
Burnett Bio-Medical Science Center (C,E)	2,528,605	-
Arts Complex II Enhancement (P,C)	500,000	-
Medical School Library (P,C,E)	4,000,000	-
Morgridge National Reading Center (P,C)	2,297,170	-
Psychology (E)	86,540	-
Engineering III Enhancement (E)	2,394,463	-
Alumni Center and John and Martha Hitt Library (E)	7,349	-
Optics and Photonics Enhancement (E)	69,085	-
Physical Science Building (E)	1,162	-
TOTAL	\$ 27,948,753	\$ -

Maintenance, repair, renovation, and remodeling projects	2018-19	Funded
		\$ 5,529,784
TOTAL		\$ 5,529,784

Capital Improvement Trust Fund	2018-19	Funded
John C. Hitt Library Phase II	\$ 41,268,246	\$ 7,701,673
TOTAL	\$ 41,268,246	\$ 7,701,673

Projects constructed or acquired with proceeds from non-state sources, including debt	2018-19	Funded
Baseball Stadium Expansion Phase II	\$ 3,396,600	\$ -
Garvy Center For Student-Athlete Nutrition	2,500,000	-
Baseball Clubhouse Expansion and Renovation	1,132,200	-
Football Building	16,685,798	-
Golf Training Facility	2,000,000	-
Spectrum Stadium Rust Remediation	8,823,000	-
Venue HVAC (P,C)	2,800,000	-
Venue Expansion and Renovation	8,000,000	-
TOTAL	\$ 45,337,598	TBD

Plant Operations and Maintenance	2016-18	Funded
Florida Advanced Manufacturing Research Facility	\$ 1,339,850	\$ -
Optics Materials Lab Addition	90,634	\$ -
John C. Hitt Library Expansion Phase I Connector	144,228	\$ -
BPW Building	66,182	\$ -
District Energy Plant	94,231	\$ -
CREOL	45,170	\$ -
John C. Hitt Library Expansion Phase I	122,007	\$ -
Arts Complex II Performance	31,353	\$ -
Trevor Colbourn Hall and Colbourn Demolition	1,312,093	\$ -
Coastal Biology	29,029	\$ -
Arboretum Green House	3,727	\$ -
Band Building	35,754	\$ -
CREOL Expansion Phase II	214,474	\$ -
Partnership IV A and B	1,516,513	\$ -
Florida Solar Energy Center	704,523	\$ -
Research I (Interdisciplinary Research and Incubator Facility)	1,597,691	\$ -
Dr. Phillips Academic Commons	382,155	\$ -
TOTAL	\$ 7,729,614	\$ -

**2018-19 Capital Outlay Budget
Projects By Funding Source**

Plant Operations and Maintenance	2018-19	Funded
Visual Arts Building Addition	\$ 11,456.00	\$ -
Arecibo National Astronomy Ionosphere Center	1,031,201	\$ -
Medically Directed Wellness and Sports Center	32,779	\$ -
UCF Downtown Central Energy Plant	245,844	\$ -
College of Nursing and Allied Health, Health Sciences Campus	2,376,492	\$ -
UCF Downtown Garage (E and G Spaces)	524,467	\$ -
Energy Lab	327,792	\$ -
Laboratory and Environmental Support Expansion	25,158	\$ -
TOTAL	\$ 4,575,189	\$ -

ITEM: FFC-3

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

SUBJECT: UCF Convocation Corporation Unrestricted Funds Transfer

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

The UCF Convocation Corporation seeks approval to transfer an amount not to exceed \$312,000 as an unrestricted gift to the UCF Athletic Association.

BACKGROUND INFORMATION

These funds represent excess sponsorship dollars received by the corporation.

Supporting documentation: None

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

ITEM: FFC-4

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

SUBJECT: Use of Spectrum Stadium for Professional Football Games

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the rental of Spectrum Stadium to Legendary Field Exhibitions, LLC, (LFE) to conduct professional football games beginning in February 2019.

BACKGROUND INFORMATION

To minimize disruptions to the surrounding community during events at Spectrum Stadium, use of the stadium that might have a significant impact on the surrounding community should be reviewed and approved by the Board of Trustees.

LFE is forming a professional spring football league consisting of eight professional football teams, one located in Orlando, to be owned exclusively by the league. The UCF Athletic Association desires to rent Spectrum Stadium to LFE to host the Orlando team's home games.

The use agreement consists of an initial three-year term beginning with the 2019 season and an option to extend the term for an additional three years. LFE will hold a minimum of five and maximum of seven games plus playoff games at Spectrum Stadium between January 15 and May 15 of each year. Games are scheduled to be played on Fridays, Saturdays, or Sundays, with most being played on Sundays. Attendance will average 17,500 spectators per game.

Full use of the stadium facilities is proposed, including all general and premium seating areas, locker rooms, and stadium area parking lots. Parking facilities outside the stadium area to include Garages C, D, and F, and lots C and D (as available and authorized), are contingent upon availability and payment of a use fee.

UCFAA will direct stadium and game management with the support of university entities to include the University of Central Florida Police Department in unified command. Alcoholic beverages will be available for sale to the general public by contracted concessions operator Spectra.

UCFAA has and will use full due diligence to conduct all events and its arrangement with the professional football team and league in strict accordance of NCAA rules.

Supporting documentation: None

Prepared by: David Hansen, Chief Operating Officer
Scott Carr, Deputy Athletics Director, Brand Activation

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: Use of Spectrum Stadium for International Soccer Match

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the rental of Spectrum Stadium to SPD Sports to conduct an international soccer match on July 12, 2018.

BACKGROUND INFORMATION

To minimize disruptions to the surrounding community during events at Spectrum Stadium, use of the stadium that might have a significant impact on the surrounding community should be reviewed and approved by the Board of Trustees.

SPD Sports is a promotion company that coordinates approximately eight international soccer matches in the United States per year. The use agreement consists of a one-time match to be held in Spectrum Stadium on July 12, 2018. It is anticipated that 20,000 spectators will attend.

Full use of the stadium facilities is proposed, including all general and premium seating areas, locker rooms, and stadium area parking lots. Parking facilities outside the stadium area to include Garages C, D, and F, and lots C and D (as available and authorized), are contingent upon availability and payment of a use fee.

UCFAA will direct stadium and game management with the support of university entities to include the University of Central Florida Police Department in unified command. Alcoholic beverages will be available for sale to the general public by contracted concessions operator Spectra.

Supporting documentation: None

Prepared by: David Hansen, Chief Operating Officer
Scott Carr, Deputy Athletics Director, Brand Activation

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

ITEM: FFC-6

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

SUBJECT: PEO-STRI Leases of Partnership IV and V

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

Approve the 50-year leases of Partnership IV and V to the Department of Defense (PEO-STRI).

BACKGROUND INFORMATION

PEO-STRI has requested a 50-year lease term because of the substantial cost of constructing a Sensitive Compartmented Information Facility on the fourth floor of Partnership V and costly renovation of the third floor of Partnership IV.

They have set a June 1 deadline to have the leases executed in order for contractors to begin demolition of the fourth floor of Partnership V and remain on schedule for the build-out of the Sensitive Compartmented Information Facility and subsequent occupancy. They also need to assure they are able to vacate their existing commercial space in time to prevent annual renewals.

Supporting documentation: Attachment A: Leases

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

Submitted by: Dan Holsenbeck, Senior Vice President for University Relations

Lease No. DACA01-17-1022

Standard form 2-E General Services Administration FPR (41 CFR) 1-16.601	US GOVERNMENT LEASE FOR REAL PROPERTY	Lease No. DACA01-5-18
Title 10 USC 2661		For PEO-STRI
CAGE CODE: 9H673	Address: 1200 Research Parkway, Orlando, FL 32826	

Commented [KDDCUC(1)]: Add lease number

Under the authority of 10 U.S.C. 2661, THIS LEASE, made and entered into this date by and between **University of Central Florida Board of Trustees**, whose address is **400 Central Florida Blvd., Orlando, FL 32816** and whose interest in the property hereinafter described is that of owner, for itself, its administrators, successors, and assigns, hereinafter called the "Lessor", and the **UNITED STATES OF AMERICA**, hereinafter called the "Government." The Lessor and the Government may be referred to jointly as the "Parties" and each separately may be referred to as "Party".

WITNESSETH: The Parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. **THE PREMISES.** The Lessor hereby leases to the Government the following premises located at **1200 Research Parkway, Orlando, FL 32826**, Orange County Florida for Government Purposes:
 - a. Exclusive use of approximately **30,865** square feet of office space on the 2nd floor of the building
 - b. Exclusive use of approximately **30,865** square feet of office space on the 3rd Floor of the building
 - c. Exclusive use of approximately **30,865** square feet of office space on the 4th Floor of the building
2. **TERM.** To have and to hold the said premises with their appurtenances for the term beginning on **01 June 2018** to **31 May 2019**, subject to termination and renewal rights as may be hereinafter set forth and subject to adequate appropriation of funds by Congress from year to year for the payment of rentals Services
3. **RENTAL CONSIDERATION.** The Government shall only pay the Lessor for annual Operational Cost under this lease, in the amount of **\$343,218.80** at the rate of **\$28,601.56** per calendar month in arrears. Consideration for a lesser period shall be prorated. All payments by the Government under the terms of this lease shall be made payable to **University of Central Florida Board of Trustees**, whose address is **400 Central Florida Blvd., Orlando, FL 32816** via electronic funds transfer (reference General Clause 21) by the USACE Finance Center, 5722 Integrity Drive, Millington, Tennessee 38054-5005.

Need to define Services, or just say payment of Operating Expenses.

Commented [KDDCUC(2)]:

Operating Expenses

The fund cite for payments is: **RENT:** _____
ONE TIME: _____

Need to update to latest Cushman info

- a. In compliance with Federal Law (specifically Public Law 104-134, The Dept Collection Improvement Act of 1994), contractors are to provide their banking data to the US Government's "System for Award Management" (SAM) and all agencies/departments of the US Government are to use this information to make their electronic payments. Lessor agrees to complete registration in the SAM.Gov website and return the CAGE Code and Tax ID to the Government prior to the commencement of any rental payments.

Initials: _____ & _____
Lessor Government

Lease No. DACA01-17-1022

Probably need to specify there is no base rent.

4. Operating Expenses

- a. Base rate for operating expenses

The Government agrees to reimburse the Lessor for Operating Expenses ~~as additional rent~~. The Lessor agrees that the estimated base rates per square foot for operating expenses shall be as follows:

Janitorial	\$ -
Common Area Maintenance (CAM)	\$ -
Building & Equipment Maintenance	\$ -
Building Insurance	\$ -
Real Estate Taxes	\$ -
Total	11.12

5. OPTION YEARS.

This lease may be renewed at the option of the Government, for the following period and at the following terms:

This lease shall be renewed from year to year for four (4) additional one (1) year periods, for a total of five (5) one (1) year periods, provided that the Government gives the Lessor a (30) day written notice to renew, and provided further, that the renewal of this lease is subject to adequate appropriations being made available from year to year for the payment of rentals.

OPTION TO EXTEND BEYOND INITIAL LEASE TERM: The Government shall have one (1) option to extend this lease for an additional one (1) year period with four (4) one-year renewals at the same terms and conditions, subject to a mutually agreed upon ~~Base Rental Rate~~ and adjustments (if any). This lease shall in no event extend beyond 31 May 2027.

6. FURNISHED ITEMS. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- a. All utilities except telephone/internet
- b. Water
- c. Waste Disposal
- d. Common area maintenance to include mowing grass weekly/as needed and maintaining shrubbery bi-monthly
- e. Janitorial services to include cleaning bathrooms, break areas daily, cleaning office and conference areas, wash doors, windows inside and outside, including window blinds, tapes and cords once a year.
- f. Shampoo carpets and/or clean any and all floor surfaces once a year
- g. Install and maintain portable fire extinguishers, sufficient to meet local fire codes
- h. Heat sufficient to maintain a temperature of 68° during winter
- i. Air conditioning sufficient to maintain a temperature of 78° during summer

Commented [KDDCUC(3)]: It is okay to add this portion

Commented [KDDCUC(4)]: Is it okay to add this language

Initials: _____ & _____
Lessor Government

Lease No. DACA01-17-1022

7. **ADJUSTMENT FOR COST OF SERVICES AND MAINTENANCE.** This lease may be renegotiated at the request of either party after the first year and on or about each anniversary thereafter for the purpose of adjusting the rental for past and future rental periods based on the actual cost of utilities and all maintenance, repair and services provided by Lessor to include reimbursement to the Lessor or recovery of excess payments made by the Government. Any adjustment in payment shall be effected by Supplemental Agreement hereto and shall be supported by copies of paid bills. Each party will have ninety (90) days after the anniversary date of the lease to request adjustments for the previous lease year. Any adjustments must be supported by documentary evidence.

8. **AMENDMENTS TO THE LEASE.** The Government and the Lessor agree that the Lease may be modified by Supplemental Agreement for changes in Tenant Improvements or any other necessary changes mutually agreed upon by the Parties.

9. **ATTACHMENTS.** The following are attached and made a part hereof

- Exhibit A 3rd Floor Plan-Shelley will provide
- Exhibit A-1 4th Floor Plan-Donovan will provide
- Exhibit B Construction Specifications
- Exhibit C General Clauses
- Exhibit D Representations and Certifications

Cisca/Ren

10. **PROPERTY OF THE GOVERNMENT.** It is particularly understood and agreed by and between the parties hereto that the title to all property, both real and personal, which the Government may have heretofore placed upon or attached to said premises shall be and will remain the property of the Government, and may be removed or otherwise disposed of by the Government as provided in Provision 2, "Alterations," of the General Clauses.

11. **TERMINATION OF THE LEASE.** The Government may terminate this lease at any time after 31 May, 2019 by giving at least 90 days advance written notice to the Lessor and no rental shall accrue after the effective date of termination.

Commented [KDDCUC(5)]: Move this and change date

- Need:
- Reference to the General Clauses, as amended
 - MOU language on UCF/State procurement of contractors
 - Amount of use of SCIF
 - Security procedures UCF must follow
 - Response time for repairs
 - Generator (dedicated space in parking lot and UCF maintenance)
 - No UCF mass notification
 - Quote on moving cubes form PIVA to B

Initials: _____ & _____
Lessor Government

Lease No. DACA01-17-1022

IN WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names as of the date written last below.

Lessor

University of Central Florida Board of Trustees

CAGE Code: **9H673**

Federal Tax ID:

By _____

Witness

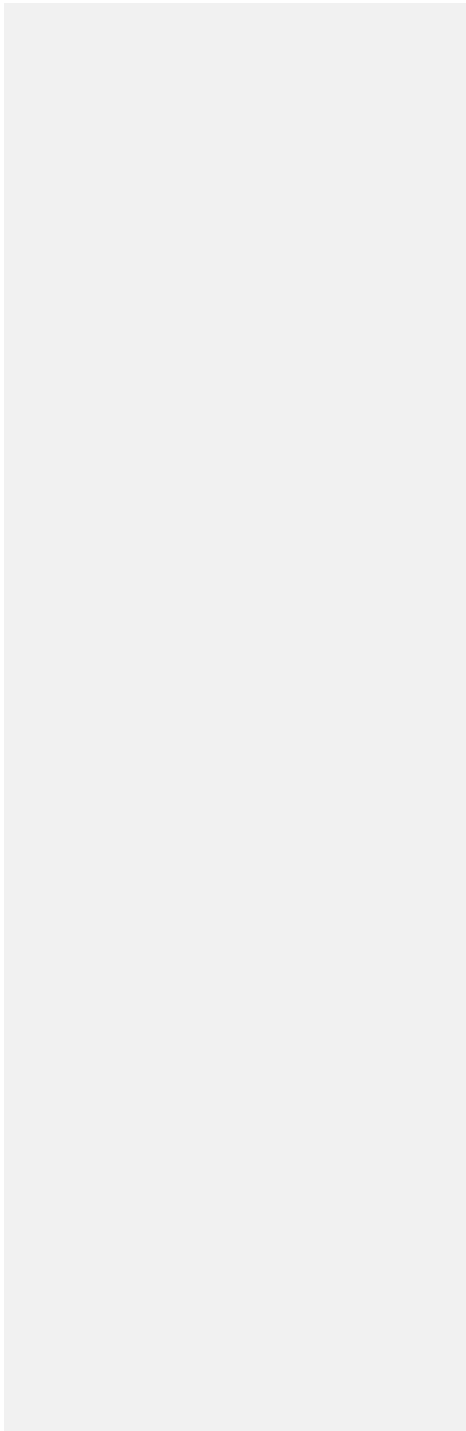
Date _____

Lessee

The United States of America

By _____

Derrick D. Moton
Deputy Chief, Real Estate
Real Estate Contracting Officer



GENERAL CLAUSES (1-42)

1. DEFINITIONS (SEP 1999) (VARIATION) – 552.270-4:

The following terms and phrases (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this lease shall have the respective meanings hereinafter specified:

(a) "Casualty" means, but is not limited to, acts of nature, such as fire, lightning, earthquakes, floods, or severe weather and acts of war or terrorism.

(b) "Commencement Date" means the first day of the term.

(c) "Common area" means "that part of the premises provided, designated, and maintained by the Lessor for the common use of all tenants; including but not limited to, private streets and driveways, curbs, parking areas, service alleys, loading areas, retaining walls, sidewalks, landscaping, lighting, hallways, restrooms, stairwells, and elevators."

(d) "Contract" and "Contractor" means "Lease" and "Lessor," respectively.

(e) "Contracting Officer" or "Government" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Government acting within the limits of their authority as delegated by the Government.

(f) "Delivery Date" means the date specified in or determined pursuant to the provisions of this lease for delivery of the premises to the Government, improved in accordance with the provisions of this lease and complete, as such date may be modified in accordance with the provisions of this lease.

(g) "Delivery Time" means the number of days provided by this lease for delivery of the premises to the Government, as such number may be modified in accordance with the provisions of this lease.

(h) "Effective Date" means the date on which the lease is signed by the Government.

(i) "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, without limitation:

- (1) acts of God or of the public enemy,
- (2) acts of the United States of America in either its sovereign or contractual capacity,
- (3) acts of another contractor or subcontractor in performance of a contract with the Government,

- (4) fires,
- (5) floods,
- (6) epidemics,
- (7) quarantine restrictions,
- (8) strikes,
- (9) freight embargoes,
- (10) unusually severe weather, or
- (11) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.

(j) "Lessee" means "Government."

(k) "Lessor" means "Owner" or the sub-Lessor if this lease is a sublease.

(l) "Lessor shall provide" means the Lessor shall furnish and install at Lessor's Expense.

(m) "Notice". Unless otherwise stated or in case of an emergency or threat to health, safety, and security, "Notice" means written notice sent by certified or registered mail, Express Mail or comparable service, or delivered by hand. Notice shall be effective on the date delivery is accepted or refused, attempted delivery or marked "undeliverable."

(n) "Premises" means the space described on the U.S. Government Lease for Real Property lease form.

(p) "Usable square feet" means the usable office area or the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."

(q) "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

2. ALTERATIONS: The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect additions, structures or signs in or upon the premises hereby leased. ~~Upon Government request, the Lessor shall be required to obtain bids for the said work and to provide the bids to the Government. Any work to be performed through the Lessor will be implemented by supplemental agreement. The Government's portion of the expense will be paid on a reimbursable basis.~~ Such fixtures, additions, or structures shall be and remain the property of the Government, and may be removed prior to the

Lessee shall follow UCF Minor Project process.

We must receive funds prior to work being performed.

expiration or termination of this lease or otherwise disposed of by the Government.

3. RESTORATION:

a. The Lessor may, upon no less than ten (10) days written notice to the Government before termination or expiration of the lease, require restoration of the leased premises, subject to the exceptions to restoration stated below in paragraph b.

In this event, prior to the expiration or termination of this lease, or a reasonable time thereafter, the Government shall, at its sole election, either,

(1) Restore the premises to the same condition as that existing at the time of entering into the lease, or,

(2) Make appropriate settlement to the Lessor representing either the diminution in the fair market value of the property due to the failure to restore, or the actual cost of restoration, whichever is the lesser amount.

b. The Government shall not restore the premises, either physically or by payment in lieu thereof, for damages as a result of reasonable ordinary wear and tear, the elements or circumstances over which the Government has no control, or alterations, or damages thereto, which the Government installed at its expense or the Lessor installed and was reimbursed by the Government through payment thereof.

4. DAMAGES:

The Lessor shall be responsible only for damages resulting from the acts or omissions of Lessee personnel. The Lessor shall be responsible for loss, destruction or damages to the premises beyond the control and without the fault or negligence of the Lessee, including but not restricted to, acts of nature, such as fire, lightning, earthquakes, floods, or severe weather and acts of war or terrorism. The parties agree that settlement of damages by the Lessee, if any, shall be done at termination of the lease. The Government's liability under this clause may not exceed appropriations available for such payment and nothing contained in this agreement may be considered as implying that Congress will at a later date appropriate funds sufficient to meet deficiencies. The provisions of this clause are without prejudice to any rights the Lessor may have to make a claim under applicable laws for any other damages than provided herein.

employees, agents, invitees or contractors.

5. WARRANTY:

The Lessor certifies the mechanical equipment building systems, and the utilities to be in good serviceable and operating condition.

basic service level

6. HAZARDOUS TOXIC WASTES:

a. The Lessor represents and certifies as part of the terms of this Lease that the site, building, and building space which are being leased to the Government, to the best of his or her knowledge, are not properties or structures with known or potential

environmental contamination including asbestos, radon, or hazardous or toxic materials/substances/wastes and such substances have not been used on the said premises. This certification is a material representation of fact upon which the Government relies when entering into the lease. If it is later determined that environmental contamination is present, the Government reserves the right to require the Lessor, at no cost to the Government, to (1) remove such properties or structures or contaminated materials, substances, or wastes contained therein and restore the premises to the satisfaction of the Government, or (2) to take the necessary action to mitigate the hazardous or toxic waste condition or other environmental contamination, in accordance with local, state, and Federal laws, or (3) in the alternative, the Government, at its option, may terminate the lease effective upon notification without any penalty whatsoever. In addition to the rights under (1), (2), and (3) above, if it is determined that the Lessor has made a willful misrepresentation, the Lessor shall also be responsible for all costs and expenses of relocating to another location in the event the Government in its discretion determines it necessary to relocate to other premises.

b. The Lessor shall immediately notify the Government of any hazardous or toxic conditions or other environmental contamination in any part of the leased premises upon obtaining knowledge of the same.

7. CHANGE OF OWNERSHIP:

a. If, during the term of this lease, including any renewals or extensions, title to this property is transferred to another party either by sale, foreclosure, condemnation, assignment, or other transaction, the Lessor (transferor) shall promptly notify the Government of said transfer. The following information shall accompany such notification:

(1) A copy of the deed or other appropriate instrument transferring title or sufficient interest to lease to the property from the transferor to the new owner.

(2) The new owner's tax identification or social security number.

b. The foregoing information must be received not later than twenty (20) days after the effective date of transfer of title. In any instance, failure to submit the documentation required for a transfer of title will result in a suspension of rental payments until such time as all documentation is received by the Government.

c. When the title to premises leased to the Government is transferred, a supplemental agreement shall be entered into by the old and new owners and the Government to reflect such change of ownership.

8. CONDITION REPORTS:

A joint physical survey and inspection of the demised premises shall be made as of the effective date contained in the lease, reflecting the then present condition, and will be documented on behalf

of the parties hereto. Upon expiration or termination of the lease, a final inspection shall be conducted by representatives of both the Lessor and the Government. If restoration of damages is required, they shall be in written form signed on behalf of both parties and the lease amended by supplemental agreement.

9. CHANGES (SEP 1999) (VARIATION) - 552.270-14

a. The Government may at any time, by written order, make changes within the general scope of this lease in any one or more of the following:

- (1) Specifications (including drawings and designs);
- (2) Work or services;
- (3) Facilities or space layout; or
- (4) Amount of space.

b. If any such change causes an increase or decrease in Lessor's cost of or the time required for performance under this lease, whether or not changed by the order, the Government shall modify this lease to provide for one or more of the following:

- (1) A modification of the delivery date;
- (2) An equitable adjustment in the rental rate;
- (3) A lump sum equitable adjustment; or
- (4) An equitable adjustment of the annual operating costs per the square feet specified in this lease.

c. The Lessor shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the change order and shall submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Lessor from proceeding with the change as directed.

d. Absent such written change order, the Government shall not be liable to Lessor under this clause.

10. INVOICE REQUIREMENTS (SEP 1999) (VARIATION) - 552.232-70

(This clause applies to payments other than rent.) Invoices shall be submitted in an original only, unless otherwise specified, to the designated billing office specified in this lease or order, including the lease number and address of the leased premises.

11. DELIVERY AND CONDITION (SEP 1999) - 552.270-17

a. Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit. The Government reserves the right to determine when the space is complete.

b. If the premises do not in every respect comply with the provisions of this lease the Government may, in accordance with the Failure in Performance clause of this lease, elect to reduce the rent payments.

~~**12. DEFAULT IN DELIVERY TIME EXTENSIONS (SEP 1999) (VARIATION) - 552.270-18**~~

~~a. With respect to Lessor's obligation to deliver the premises complete by the delivery date, time is of the essence. If the Lessor fails to work diligently to ensure its substantial completion by the delivery date or fails to substantially complete the work by such date, the Government may by notice to the Lessor terminate this lease. Such termination is effective when received by Lessor. The Lessor and the Lessor's sureties, if any, are jointly and severally liable for any damages to the Government resulting from such termination, as provided in this clause. The Government shall be entitled to the following damages:~~

~~(1) The Government's aggregate rent and estimated real estate tax and operating cost adjustments for the firm term and all option terms of its replacement lease or leases, in excess of the aggregate rent and estimated real estate tax and operating cost adjustments for the term. If the Government procures replacement premises for a term (including all option terms) in excess of this term, the Lessor is not liable for excess Government rent or adjustments during such excess lease term.~~

~~(2) All administrative and other costs the Government incurs in procuring a replacement lease or leases.~~

~~(3) Other, additional relief provided for in this lease, at law, or in equity.~~

~~b. Damages to which the Government is entitled to under this clause are due and payable thirty (30) days following the date Lessor receives notice from the Government specifying such damages.~~

~~c. Delivery by Lessor of less than the square footage shown on the floor plan attached as Exhibit "A" to this lease shall in no event be construed as substantial completion, except as the Government permits.~~

~~d. The Government shall not terminate this lease under this clause nor charge the Lessor with damages under this clause, if (1) the delay in~~

~~substantially completing the work arises from excusable delays and (2) the Lessor within 10 days from the beginning of any such delay (unless extended in writing by the Government) provides notice to the Government of the causes of delay. The Government shall ascertain the facts and the extent of delay. If the facts warrant, the Government shall extend the delivery date, to the extent of such delay at no additional costs to the Government. A time extension is the sole remedy of the Lessor.~~

13. PROGRESSIVE OCCUPANCY (SEP 1999) - 552.270-19

The Government shall have the right to elect to occupy the space in partial increments prior to the substantial completion of the entire leased premises, and the Lessor agrees to schedule its work so as to deliver the space incrementally as elected by the Government. The Government shall pay rent commencing with the first business day following substantial completion of the entire leased premise unless the Government has elected to occupy the leased premises incrementally. In case of incremental occupancy, the Government shall pay rent pro rata upon the first business day following substantial completion of each incremental unit. Rental payments shall become due on the first workday of the month following the month in which an increment of space is complete, except that should an increment of space be completed after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was complete. The commencement date of the firm lease term will be a composite determined from all rent commencement dates.

14. ACCEPTANCE OF SPACE (SEP 1999) - 552.270-29

a. When the Lessor has completed all alterations, improvements, and repairs necessary to meet the requirements of the lease, the Lessor shall notify the Government. The Government's designated representative shall promptly inspect the space.

b. The Government will accept the space and **the lease term will begin after determining that the space is complete and contains the required square footage as indicated in the floor plan attached as Exhibit "A".**

15. EFFECT OF ACCEPTANCE AND OCCUPANCY (SEP 1999) - 552.270-21

Neither the Government's acceptance of the premises for occupancy or the Government's occupancy thereof, shall be construed as a waiver of any requirement of or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right.

16. MAINTENANCE OF BUILDING AND PREMISES—RIGHT OF ENTRY (SEP 1999) - 552.270-6

a. Except in case of damage arising out of the willful act or negligence of a Government employee, Lessor shall maintain the premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease. For the purpose of so maintaining the premises, the Lessor, its agents, representatives, contractors and assigns may at reasonable times (within 24 hours notice) enter the premises with the approval of and accompanied by the authorized Government representative in charge.

b. **Emergency Maintenance and Repairs.** The Lessee will notify the Lessor of any emergency and request the Lessor to perform the necessary work. All emergency maintenance and repairs performed by the Lessor will be completed within 48 hours from the time of notification. Emergency maintenance and repairs include but are not limited to:

- (1) failure of heating/cooling system to maintain specific temperature
- (2) failure of water system, including hot water
- (3) inadequate or no water pressure
- (4) leaking water pipes
- (5) blocked or leaking drains
- (6) electrical failure
- (7) sewage system malfunction
- (8) failure of ~~security~~ and fire protection systems, including alarms and sprinklers
- (9) Repair/replace exterior windows and doors including plate glass if applicable.

10) Loss of primary power

In the event the Lessor shall fail to perform emergency maintenance and repairs within 48 hours or to perform non-emergency maintenance and repairs within 5 days from the date notice is given by the Lessee, the Lessee may immediately perform or have performed such maintenance and repairs and deduct all costs thereof from the rental or other charges due or to become due under the terms of this lease.

17. FIRE AND CASUALTY DAMAGE (SEP 1999) - 552.270-7

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

18. COMPLIANCE WITH APPLICABLE LAW (SEP 1999) - 552.270-8

a. Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of the building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses, certificate of occupancy and similar items at Lessor's expense. The Government will comply with all Federal, State and local laws applicable to and enforceable against it as a tenant under this lease; provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law.

b. SECURITY. Exit signs, emergency lighting, portable fire extinguishers, and fire protection systems, such as sprinkler systems and alarms, which meet fire protection standards established by applicable state statutes, fire regulations, building codes, or local ordinances, shall be provided and maintained by the Lessor. This includes, but is not limited to, the recharging of fire extinguishers and replacement of long life batteries (lithium) in smoke detectors. Equipment, services or utilities furnished, and activities of other tenants shall be free of safety, health, and fire hazards.

19. FAILURE IN PERFORMANCE (SEP 1999) - 552.270-10

The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor to provide any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting cost to the Government, including all administrative costs. If the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building,

access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payments under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.

20. DEFAULT BY LESSOR DURING THE TERM (SEP 1999) - 552.270-22

a. Each of the following shall constitute a default by Lessor under this lease:

(1) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided any such failure shall remain uncured for a period of thirty (30) days next following Lessor's receipt of notice thereof from the Government or an authorized representative.

(2) Repeated and unexcused failure by Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all such failures shall have been timely cured pursuant to this clause.

b. If a default occurs, the Government may, by notice to Lessor, terminate this lease for default and if so terminated, the Government shall be entitled to the damages specified in the Default in Delivery-Time Extensions clause.

21. ELECTRONIC FUNDS TRANSFER PAYMENT (MAR 2000) (VARIATION) - 552.232-76

a. The Government will make payments under this lease by electronic funds transfer (EFT), unless otherwise waived (*for hardship or tracking reasons of the lessor*). The Lessor must, no later than 30 days before the first payment:

(1) Designate a financial institution for receipt of EFT payments.

(2) Submit this designation to the Government or other Government official, as directed.

b. The Lessor must provide the following information:

(1) The American Bankers Association 9-digit identifying number for Automated Clearing House (ACH) transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System.

(2) Number of account to which funds is to be deposited.

(3) Type of depositor account ("C" for checking, "S" for savings).

(4) If the Lessor is a new enrollee to the EFT system, the Lessor must complete and submit UFC- DISB-4 (Direct Deposit Authorization Form), before payment can be processed.

c. If the Lessor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment, the appropriate Government official must receive notice of such change and the required information specified above no later than 30 days before the date such change is to become effective.

d. The documents furnishing the information required in this clause must be dated and contain the:

(1) Signature, title, and telephone number of the Lessor or the Lessor's authorized representative.

(2) Lessor's name.

(3) Lease number.

e. Lessor's failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

22. PROMPT PAYMENT (SEP 1999) - 552.232-75

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

a. *Payment due date.*

(1) Rental payments. Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.

(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.

(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) Other payments. The due date for making payments other than rent shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

(ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

b. Invoice and inspection requirements for payments other than rent.

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:

(i) Name and address of the Contractor.

(ii) Invoice date.

(iii) Lease number.

(iv) Government's order number or other authorization.

(v) Description, price, and quantity of work or services delivered.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within 7 days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the 7-day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the 7 days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

c. Interest Penalty.

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

23. SUBLETTING AND ASSIGNMENT (SEP 1999) - 552.270.5

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to the Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any assignment shall be subject to prior written consent of the Lessor, which shall not be unreasonably withheld.

sublet or

24. SUBSTITUTION OF TENANT AGENCY (SEP 1999) - 552.270-25

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies.

25. ASSIGNMENT OF CLAIMS (JAN 1986) - 52.232-23

a. The Lessor, under the Assignment of Claims Act, as amended, 31 USC 3727, 41 USC 15 (hereafter referred to as the "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending

agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

b. Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment be made to one party as agent or the parties participating in the financing

This contract is subject to public records request

c. The Lessor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Government authorizes such action in writing.

26. SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (SEP 1999) - 552.270-23

a. Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and or hereafter existing or imposed upon and to any renewal, modification or It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Government's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

to other governmental entities

b. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Government promptly upon demand.

c. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority as if the lease had initially been entered into between the Government and such purchasers or transferees and the Lessor. Further, that the Government and transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.

Claim shall be handled under Disputes

d. None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

27. NO WAIVER (SEP 1999) - 552.270-26

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

28. STATEMENT OF LEASE (SEP 1999) - 552.270-24

a. The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

b. Letters issued pursuant to this clause are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;

(2) That the Government shall not be held liable because of any defect in or condition of the premises or building;

(3) That the Contracting Officer does not warrant or represent that the premises or building comply with applicable Federal, State and local law; and

(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable prepurchase and precommitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

29. MUTUALITY OF OBLIGATION (SEP 1999) - 552.270-28

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. ~~The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No set off pursuant to this clause shall constitute a breach by the Government of this lease.~~

30. SUCCESSORS BOUND (SEP 1999) - 552.270-11

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

31. INTEGRATED AGREEMENT (SEP 1999) - 552.270-27

This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease.

32. DISPUTES (JUL 2002) - 52.233-1

a. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

b. Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Lessor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with

the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

d. (1) A claim by the Lessor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Government for a written decision. A claim by the Government against the Lessor shall be subject to a written decision by the Government.

(2) (i) The Lessor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding \$100,000.

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflect the contract adjustment for which the Lessor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Lessor."

(3) The certification may be executed by any person duly authorized to bind the Lessor with respect to the claim.

e. For Lessor claims of \$100,000 or less, the Government must, if requested in writing by the Lessor, render a decision within 60 days of the request. For Lessor-certified claims over \$100,000, the Government must, within 60 days, decide the claim or notify the Lessor of the date by which the decision will be made.

f. The Government's decision shall be final unless the Lessor appeals or files a suit as provided in the Act.

g. If the claim by the Lessor is submitted to the Government or a claim by the Government is presented to the Lessor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Lessor refuses an offer for ADR, the Lessor shall inform the Government, in writing, of the Lessor's specific reasons for rejecting the offer.

h. The Government shall pay interest on the amount found due and unpaid from (1) the date that the Government receives the claim (certified, if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Government initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Government receives the claim and then at the rate applicable for

each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

i. The Lessor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Government.

33. EXAMINATION OF RECORDS: The Lessor agrees that any duly authorized Government representative shall have the right, until the expiration of three (3) years after final payment of the agreed rental, to have access to and to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this lease.

34. GRATUITIES TO GOVERNMENT EMPLOYEES:

a. The Government may, by written notice to the Lessor, terminate the right of the Lessor to proceed under this lease if it is found, after notice and hearing, by the Secretary of the Army or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Lessor, or any agency or representative of the Lessor, to any officer or employee of the Government with a view toward securing a lease or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such lease, provided, that the existence of facts upon which the Secretary of the Army or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

b. In the event this lease is terminated as provided in paragraph a hereof the Government shall be entitled (1) to pursue the same remedies against the Lessor as it could pursue in the event of a breach of the lease by the Lessor and (2) as a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Army or his duly authorized representative) which shall be not less than three (3) nor more than ten (10) times the cost incurred by the Lessor in providing any such gratuities to any such officer or employee.

c. The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this lease.

35. OFFICIALS NOT TO BENEFIT.

No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease contract if made with a corporation for its general benefit.

36. Covenant Against Contingent Fees. (FEB 1990) - 552.203-5

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

(b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

37. PROHIBITION OF SEGREGATED FACILITIES (FEB 1999) 52.222-21

(a) Segregated facilities, as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are

maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

38. Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jan 2005) 52.209-6

(a) The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor that is debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

(b) The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(c) A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:

(1) The name of the subcontractor.

(2) The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.

(3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.

(4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

39. EQUAL OPPORTUNITY (APR 2002) 52.209-6

(a) *Definition.* "United States," as used in this clause, means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with paragraphs (b)(1) through (b)(11) of this clause, except for work performed outside the United States by employees who were not recruited within the United States. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to —

- (i) Employment;
- (ii) Upgrading;
- (iii) Demotion;
- (iv) Transfer;
- (v) Recruitment or recruitment advertising;
- (vi) Layoff or termination;
- (vii) Rates of pay or other forms of compensation; and
- (viii) Selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for

employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(8) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in

Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of subparagraphs (b)(1) through (11) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

40. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) . 52.222-35

(A) *DEFINITIONS. AS USED IN THIS CLAUSE—*

“All employment openings” means all positions except executive and top management, those positions that will be filled from within the Contractor’s organization, and positions lasting 3 days or less. This term includes full-time employment, temporary employment of more than 3 days duration, and part-time employment.

“Executive and top management” means any employee—

(1) Whose primary duty consists of the management of the enterprise in which the individual is employed or of a customarily recognized department or subdivision thereof;

(2) Who customarily and regularly directs the work of two or more other employees;

(3) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight;

(4) Who customarily and regularly exercises discretionary powers; and

(5) Who does not devote more than 20 percent or, in the case of an employee of a retail or service establishment, who does not devote more than

40 percent of total hours of work in the work week to activities that are not directly and closely related to the performance of the work described in paragraphs (1) through (4) of this definition. This paragraph (5) does not apply in the case of an employee who is in sole charge of an establishment or a physically separated branch establishment, or who owns at least a 20 percent interest in the enterprise in which the individual is employed.

“Other eligible veteran” means any other veteran who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

“Positions that will be filled from within the Contractor’s organization” means employment openings for which the Contractor will give no consideration to persons outside the Contractor’s organization (including any affiliates, subsidiaries, and parent companies) and includes any openings the Contractor proposes to fill from regularly established “recall” lists. The exception does not apply to a particular opening once an employer decides to consider applicants outside of its organization.

“Qualified special disabled veteran” means a special disabled veteran who satisfies the requisite skill, experience, education, and other job-related requirements of the employment position such veteran holds or desires, and who, with or without reasonable accommodation, can perform the essential functions of such position.

“Special disabled veteran” means—

(1) A veteran who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Department of Veterans Affairs for a disability—

(i) Rated at 30 percent or more; or

(ii) Rated at 10 or 20 percent in the case of a veteran who has been determined under 38 U.S.C. 3106 to have a serious employment handicap (*i.e.*, a significant impairment of the veteran’s ability to prepare for, obtain, or retain employment consistent with the veteran’s abilities, aptitudes, and interests); or

(2) A person who was discharged or released from active duty because of a service-connected disability.

“Veteran of the Vietnam era” means a person who—

(1) Served on active duty for a period of more than 180 days and was discharged or released from active duty with other than a dishonorable discharge, if any part of such active duty occurred—

(i) In the Republic of Vietnam between February 28, 1961, and May 7, 1975; or

(ii) Between August 5, 1964, and May 7, 1975, in all other cases; or

(2) Was discharged or released from active duty for a service-connected disability if any part of the active duty was performed—

(i) In the Republic of Vietnam between February 28, 1961, and May 7, 1975; or

(ii) Between August 5, 1964, and May 7, 1975, in all other cases.

(b) General.

(1) The Contractor shall not discriminate against the individual because the individual is a special disabled veteran, a veteran of the Vietnam era, or other eligible veteran, regarding any position for which the employee or applicant for employment is qualified. The Contractor shall take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled veterans, veterans of the Vietnam era, and other eligible veterans without discrimination based upon their disability or veterans' status in all employment practices such as—

- (i) Recruitment, advertising, and job application procedures;
- (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- (iii) Rate of pay or any other form of compensation and changes in compensation;
- (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- (v) Leaves of absence, sick leave, or any other leave;
- (vi) Fringe benefits available by virtue of employment, whether or not administered by the Contractor;
- (vii) Selection and financial support for training, including apprenticeship, and on-the-job training under 38 U.S.C. 3687, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- (viii) Activities sponsored by the Contractor including social or recreational programs; and
- (ix) Any other term, condition, or privilege of employment.

(2) The Contractor shall comply with the rules, regulations, and relevant orders of the Secretary of Labor issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended (38 U.S.C. 4211 and 4212).

(c) Listing openings.

(1) The Contractor shall immediately list all employment openings that exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract, and including those occurring at an establishment of the Contractor other than the one where the contract is being performed, but excluding those of independently operated corporate affiliates, at an appropriate local public employment service office of the State wherein the opening occurs. Listing employment openings with the U.S. Department of Labor's America's Job Bank shall satisfy the requirement to list jobs with the local employment service office.

(2) The Contractor shall make the listing of employment openings with the local employment service office at least concurrently with using any other recruitment source or effort and shall involve the normal obligations of placing a bona fide job order, including accepting referrals of veterans and nonveterans. This listing of employment openings does not require hiring any particular job applicant or hiring from any particular

group of job applicants and is not intended to relieve the Contractor from any requirements of Executive orders or regulations concerning nondiscrimination in employment.

(3) Whenever the Contractor becomes contractually bound to the listing terms of this clause, it shall advise the State public employment agency in each State where it has establishments of the name and location of each hiring location in the State. As long as the Contractor is contractually bound to these terms and has so advised the State agency, it need not advise the State agency of subsequent contracts. The Contractor may advise the State agency when it is no longer bound by this contract clause.

(d) *Applicability.* This clause does not apply to the listing of employment openings that occur and are filled outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands of the United States, and Wake Island.

(e) Postings.

(1) The Contractor shall post employment notices in conspicuous places that are available to employees and applicants for employment.

(2) The employment notices shall—

(i) State the rights of applicants and employees as well as the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants who are special disabled veterans, veterans of the Vietnam era, and other eligible veterans; and

(ii) Be in a form prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, Department of Labor (Deputy Assistant Secretary of Labor), and provided by or through the Contracting Officer.

(3) The Contractor shall ensure that applicants or employees who are special disabled veterans are informed of the contents of the notice (e.g., the Contractor may have the notice read to a visually disabled veteran, or may lower the posted notice so that it can be read by a person in a wheelchair).

(4) The Contractor shall notify each labor union or representative of workers with which it has a collective bargaining agreement, or other contract understanding, that the Contractor is bound by the terms of the Act and is committed to take affirmative action to employ, and advance in employment, qualified special disabled veterans, veterans of the Vietnam era, and other eligible veterans.

(f) *Noncompliance.* If the Contractor does not comply with the requirements of this clause, the Government may take appropriate actions under the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(g) *Subcontracts.* The Contractor shall insert the terms of this clause in all subcontracts or purchase orders of \$25,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Deputy Assistant Secretary of Labor to enforce the terms, including action for noncompliance.

41. Affirmative Action for Workers with Disabilities (June 1998) 52.222-36

(a) General.

(1) Regarding any position for which the employee or applicant for employment is qualified, the Contractor shall not discriminate against any employee or applicant because of physical or mental disability. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified individuals with disabilities without discrimination based upon their physical or mental disability in all employment practices such as—

- (i) Recruitment, advertising, and job application procedures;
- (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff, and rehiring;
- (iii) Rates of pay or any other form of compensation and changes in compensation;
- (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- (v) Leaves of absence, sick leave, or any other leave;
- (vi) Fringe benefits available by virtue of employment, whether or not administered by the Contractor;
- (vii) Selection and financial support for training, including apprenticeships, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- (viii) Activities sponsored by the Contractor, including social or recreational programs; and
- (ix) Any other term, condition, or privilege of employment.

(2) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 U.S.C. 793) (the Act), as amended.

(b) Postings.

(1) The Contractor agrees to post employment notices stating—

- (i) The Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified individuals with disabilities; and
- (ii) The rights of applicants and employees.

(2) These notices shall be posted in conspicuous places that are available to employees and applicants for employment. The Contractor shall ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the Contractor may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair). The notices shall be in a form prescribed by the Deputy Assistant Secretary for Federal Contract Compliance of the U.S. Department of Labor (Deputy Assistant Secretary) and shall be provided by or through the Contracting Officer.

(3) The Contractor shall notify each labor union or representative of workers with which it has a collective

bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Section 503 of the Act and is committed to take affirmative action to employ, and advance in employment, qualified individuals with physical or mental disabilities.

(c) *Noncompliance*. If the Contractor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

(d) *Subcontracts*. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of \$10,000 unless exempted by rules, regulations, or orders of the Secretary. The Contractor shall act as specified by the Deputy Assistant Secretary to enforce the terms, including action for noncompliance.

42. Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) 52.222-37

(a) Unless the Contractor is a State or local government agency, the Contractor shall report at least annually, as required by the Secretary of Labor, on—

(1) The number of special disabled veterans, the number of veterans of the Vietnam era, and other eligible veterans in the workforce of the Contractor by job category and hiring location; and

(2) The total number of new employees hired during the period covered by the report, and of the total, the number of special disabled veterans, the number of veterans of the Vietnam era, and the number of other eligible veterans; and

(3) The maximum number and the minimum number of employees of the Contractor during the period covered by the report.

(b) The Contractor shall report the above items by completing the Form VETS-100, entitled "Federal Contractor Veterans' Employment Report (VETS-100 Report)."

(c) The Contractor shall submit VETS-100 Reports no later than September 30 of each year beginning September 30, 1988.

(d) The employment activity report required by paragraph (a)(2) of this clause shall reflect total hires during the most recent 12-month period as of the ending date selected for the employment profile report required by paragraph (a)(1) of this clause. Contractors may select an ending date—

(1) As of the end of any pay period between July 1 and August 31 of the year the report is due; or

(2) As of December 31, if the Contractor has prior written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(e) The Contractor shall base the count of veterans reported according to paragraph (a) of this clause on voluntary disclosure. Each Contractor subject to the reporting requirements at 38 U.S.C. 4212 shall invite all special disabled veterans, veterans of the Vietnam era, and other eligible veterans who wish to benefit under the

affirmative action program at 38 U.S.C. 4212 to identify themselves to the Contractor. The invitation shall state that—

- (1) The information is voluntarily provided;
- (2) The information will be kept confidential;

(3) Disclosure or refusal to provide the information will not subject the applicant or employee to any adverse treatment; and

(4) The information will be used only in accordance with the regulations promulgated under 38 U.S.C. 4212.

(f) The Contractor shall insert the terms of this clause in all subcontracts or purchase orders of \$25,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor.

ITEM: FFC-7

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

SUBJECT: Refinancing of UCF Convocation Corporation Series 2014A and B
Certificates of Participation

DATE: May 24, 2018

PROPOSED COMMITTEE ACTION

The UCF Convocation Corporation requests approval to refinance the outstanding Series 2014A and B certificates of participation and replace the certificates with revenue bonds.

BACKGROUND INFORMATION

In 2014, the UCFCC refinanced the Series 2004A and 2005A housing certificates of participation with 20-year fixed-rate loans through TD Bank and SunTrust Bank, respectfully. As a result of the lowering of the corporate tax rate that went into effect January 1, 2018, both banks have the right to increase the interest rate on the loans to maintain their effective yields per the contracts. Due to the negative financial effects on the UCFCC, the university engaged both banks in reference to their right to increase rates and received term sheets from both.

It is recommended that TD Bank refinance the Series 2014A and B certificates of participation. While both banks offered to refund both outstanding series, the SunTrust Bank proposal consisted of a forward contract requiring two closings over the next year and potential Board of Governors approval for the Series 2014A certificates. The TD Bank proposal eliminates the need for a forward contract and allows for the immediate refunding of both series.

Supporting documentation: Attachment A: Draft Board of Trustees Resolution

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

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE UCF CONVOCATION CORPORATION OF ITS CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING INDEBTEDNESS OF THE CORPORATION; APPROVING THE AMENDMENT AND RESTATEMENT OF THE SUPPORT AGREEMENT AND HOUSING SUPPORT AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE OF ITS REFUNDING REVENUE BONDS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, previously, the UCF Convocation Corporation (the "Corporation") refinanced the construction of certain student housing facilities and related improvements (the "Project") with proceeds of its Certificates of Participation (Convocation Corporation Master Lease Program), Series 2014A and 2014B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the Convocation Corporation (the "Outstanding Certificates"); and

WHEREAS, due to recent changes in the federal income tax laws lowering the corporate income tax rates the interest rates on the Outstanding Certificates were subject to adjustment by the respective holders increasing the debt service requirements for the Outstanding Certificates; and

WHEREAS, the Corporation approached the holders of the Outstanding Certificates regarding a reduction in the interest rates and received proposals for both holders; and

WHEREAS, the proposal from TD Bank (the "Bank") included the refinance of the Outstanding Certificates at an interest rate that results in debt service savings; and

WHEREAS, the Bank has agreed to purchase one series of Capital Improvement Refunding Revenue Bonds, Series 2018 (the "Series 2018 Bonds") pursuant to the terms of a Trust Indenture, (the "Indenture") by and between the Corporation and the trustee named therein, (the "Trustee") to refinance the Outstanding Certificates; and

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

WHEREAS, payments due under the Outstanding Certificates are currently secured by, among other things, payments to be made by the University of Central Florida (the "University") pursuant to that certain Support Agreement dated as of July 1, 2004 between the Corporation, the University and the UCF Athletics Corporation (the "Support Agreement") and the Housing Support Agreement dated as of July 1, 2004 between the Corporation, the University and the UCF Athletics Corporation (the "Housing Support Agreement", which together with the Support Agreement are referred to herein as the "Agreements"); and

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WHEREAS, the Corporation and the Bank has requested that the University amend and restate the Agreements such that the provisions now applicable to the Outstanding Certificates apply to provide the same financial and operational support to the benefit of the Bank as the holder of the Series 2018 Bonds; and

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

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

Section 2. The Board hereby authorizes the amendment and restatement of the Agreements to provide that the financial and operational support as currently set forth in the Agreements apply to support the Series 2018 Bonds to the same extent they support the Outstanding Certificates. The President of the University, and in the President's absence the Presidents designee, are authorized to execute and deliver amended and restated Agreements with terms and provisions acceptable to the University General Counsel and Bryant Miller Olive, P.A., acting as bond counsel to the Corporation. Execution by the President shall constitute conclusive evidence of acceptance of the final terms and provisions of the Agreements.

Section 3 The Board hereby approves the issuance of the Series 2018 Bonds for the purpose of refinancing the Outstanding Certificates.

Section 4. The President and the Vice President for Administration and Finance are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, consistent with this resolution and in connection with the delivery of the amended and restated Agreements, refunding of the Outstanding Certificates and the issuance of the Series 2018 Bonds.

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

Adopted this _____ day of May, 2018.

ITEM: INFO-3

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

SUBJECT: Equipment Fees for 2018-19

DATE: May 24, 2018

For information only.

Supporting documentation: Attachment A: Undergraduate and Graduate Equipment Fees for 2017-18

Prepared by: Elizabeth Klonoff, Vice President for Research and Dean of the College of Graduate Studies
Keisha Hoerrner, Interim Assistant Vice Provost for Teaching and Learning and Associate Dean of the College of Undergraduate Studies

Submitted by: Elizabeth Dooley, Interim Provost and Vice Provost for Teaching and Learning and Dean of the College of Undergraduate Studies

Attachment A

New and Revised Undergraduate and Graduate Equipment Fees for 2018-19

Program	New or Revised	2018 Fee Full-Time	2019 Fee Full-Time	Change from 2018	Notes
UNDERGRADUATE					
Architecture B.Des.	Revised	\$90	\$72	-\$18	
GRADUATE					
There were no modifications or newly approved equipment fees for graduate programs for 2018-19.					