

**Summary Ground Lease and Operating Lease Agreements
Residence Life Enhancement Project - North Lake Village Phase V
Florida Gulf Coast University**

OPERATING LEASE AGREEMENT

Terms and Conditions

The Foundation will lease back the improvements to the University upon completion of the construction for the purpose of the University operating and maintaining the housing facilities.

Term: 30 years

Base Rent: Rent shall include all amounts to be paid under the bond documents.

Additional Rent: The University will pay all costs associated with the ownership, operation and maintenance of the housing facilities.

Insurance: The University will maintain comprehensive public liability and fire insurance during the term of the lease.

Utilities: The University will pay all charges for utilities.

Casualty: If the housing facilities are damaged or destroyed during the lease period, the University will be responsible for the repair or replacement. (Should there be insufficient funds for the repair or replacement, the University will be responsible for paying the additional sum). If the damage or destruction occurs during construction, the Foundation will be responsible for the repair or replacement.

Alterations, Improvements and additions upon notification to the Foundation.

Option to Purchase: The University will have the right to purchase the improvements, at any time, upon giving 90 days prior notice. If this option is exercised, title to the facilities will be transferred to the State.

Default: If either party fails to abide by the terms and conditions of the operating agreement, the non-defaulting party may cancel the agreement. However, the termination will not relieve the defaulting party from liability to the other party for damages, nor will it relieve the University from paying the rent as long as the certificates of participation are outstanding.

Parity Debt: Any other obligations incurred by the University will be junior and subordinate to the pledge of the net revenues to secure the rental payments. (The University, under the terms of agreement, will pledge a security interest in the net revenues).

Pledge of Pledged Revenues: The University will grant the Foundation a security interest in the pledged revenues. Pledged revenues consist of base rent payments generated by the housing facilities.