

**SUMMARY OF MASTER OPERATING LEASE AND MASTER GROUND LEASE  
AGREEMENT, EACH DATED AS OF \_\_\_\_\_, 2003**

**Master Operating Lease**

Florida Gulf Coast University Financing Corporation, as Lessor, shall lease to The Florida Gulf Coast University Board of Trustees, as Lessee, acting for and on behalf of Florida Gulf Coast University, its possessory interests in the Project, Existing Improvements, Land and Personal Property (collectively, the "Premises"). (All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto under the Master Operating Lease)

Term. The Master Operating Lease shall terminate on the later of: (a) \_\_\_\_\_ 1, 20\_\_\_\_, or (b) the date on which all Bonds and any obligations under any Related Financing Documents secured thereby are fully paid and canceled; unless sooner terminated as provided herein. Notwithstanding the foregoing, under no circumstance shall the Master Operating Lease extend beyond the term of the Lessee's Lease Agreement with the State of Florida Board of Trustees of the Internal Improvement Trust Fund described in the Master Ground Lease Agreement of even date therewith.

Lease Payments:

(a) Base Rent. The Lessee shall pay all amounts due and payable under the Series 2003 Bonds, any Additional Parity Obligations, and all amounts required to be paid to any person pursuant to the Related Financing Documents.

(b) Additional Rent. The Lessee shall pay all expenses associated with the ownership, operation and rental of the Premises.

Insurance. The Lessee shall maintain, at its expense, such insurance coverages and limits as provided by Chapter 284, Florida Statutes, Parts I and II. Additionally, Lessor shall obtain and maintain at all times during the term of the Master Operating Lease at its expense, such "umbrella" insurance coverage satisfactory to the Lessee.

Utilities. The Lessee shall pay all charges for heat, air conditioning, water, gas, electricity and other utilities used in connection with the Premises.

Assignment and Subletting. The Lessee shall not have the right to assign the Master Operating Lease or any interest therein, or to sublet any portion of the Premises other than to an agency or instrumentality of the State of Florida without the prior express written consent of Financing Corporation; provided, however, the Lessee may let or sublet the apartments located on the Premises or any part thereof or any right or privilege pertaining thereto, to students, faculty and staff members of the University.

Inspection. The Lessee shall permit the Lessor or the agents of the Lessor upon reasonable notice to enter upon the Premises between the hours of 9:00 a.m. and 5:00 p.m. on business days to inspect the Premises; provided, however, that the Lessor shall not unreasonably interfere with the Lessee's or its sublessees' use of the Premises.

Option to Purchase. The Lessee shall have the right to purchase the leased Improvements and Personal Property, such option to be exercised by the Lessee giving not less than sixty (60) days notice in writing to the Lessor.

Default. In the event of a failure to perform any covenant required to be performed by such party under the terms and provisions of the Master Operating Lease, and such failure shall continue unremedied or uncorrected for a period of thirty (30) days after written notice to such party by the other party hereto, specifying such failure, such party shall be in default. If the Lessee fails to make any payment required under the Master Operating Lease, and if such failure to pay continues unremedied for a period of thirty (30) days from the date of written notice to Lessee specifying such failure, the Lessee shall be in default under the Master Operating Lease. Subject to certain limitations on termination, the Master Operating Lease may be terminated at the option of the non-defaulting party upon giving written notice stating that the Master Operating Lease and the term thereby demised shall expire and terminate on the date specified in such notice (which shall be no earlier than five (5) days after receipt of such notice by the defaulting party).

Pledge of Net Revenues. The Lessee has pledged the Net Revenues as security for payment of rent under the Master Operating Lease. The Lessee shall not issue any obligations in the future having a lien on the Net Revenues that is superior to the holders of the Series 2003 Bonds and any Additional Parity Obligations to be issued from time to time.

Rate Covenant. The Lessee agrees to charge each year such rates and fees as are necessary to produce Net Revenues sufficient to pay one-hundred twenty percent (120%) of (i) the Principal Component and the Interest Component of the Base Rent due under the Master Operating Lease during such year, and (ii) any Additional Parity Obligations.

Parity Debt. The Lessee will not incur any other obligations, except under the conditions and in the manner provided in the Master Operating Lease, payable from the Net Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Master Operating Lease and the interest thereon upon the Net Revenues.

### **Master Ground Lease Agreement**

Certain interests in land shall be subleased to the Florida Gulf Coast University Financing Corporation for the acquisition, construction, and financing of a student residence

facility. (All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto under the Master Ground Lease Agreement)

Leased Premises. The Lessor has subleased to Lessee a portion of Lessor's leasehold interest under a lease agreement for Lease No. 4051, dated November 15, 1994 (the "Lease Agreement"), as amended and modified, between Lessor and the State of Florida Board of Trustees of the Internal Improvement Trust Fund (the "Board of Trustees"), in that certain real property lying in Lee County, Florida, as described in a deed to the Board of Trustees of the Internal Improvement Trust Fund and recorded in the Official Records Book 2497, Pages 1564 through 1565 of the official public records of Lee County, Florida (the same constituting the "Leased Premises"), which is located on the main campus of the University.

Term. The Master Ground Lease Agreement shall terminate on the later of \_\_\_\_\_ 1, 20\_\_ or the date that all Bonds and any obligations under any Related Financing Documents (as defined in the Operating Lease) are fully paid and cancelled and may not extend beyond the term of the University Board's Lease Agreement with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. Notwithstanding the foregoing, under no circumstance shall the Master Ground Lease Agreement extend beyond the term of the Lease Agreement.

Rental. During the term of the Master Ground Lease Agreement, rent shall be payable by Lessee to the Lessor at the rate of One Dollar (\$1.00) per year.

Ownership of Improvements and Surrender of Leased Premises. The Lessee shall have title to all improvements made to the Leased Premises and upon the termination of the Master Ground Lease Agreement title to all such improvements shall thereupon vest in the University Board.

Insurance. The Lessor shall maintain, at its expense, such insurance coverages and limits as provided by Chapter 284, Florida Statutes, Parts I and II. Additionally, Lessee shall obtain and maintain at all times during the term of the Master Ground Lease Agreement at its expense, such "umbrella" insurance coverage satisfactory to the Lessee.

Assignment, Subletting and Mortgaging of Leasehold Interest. The Lessee shall not have the right to assign the Master Ground Lease Agreement, or any portion thereof, or to sublease all or any portion of the Leased Premises without the written consent of the Lessor; provided however, if necessary to secure any Bonds, to the extent such is legally permissible, there may be granted a mortgage or security interest in the Lessee's rights thereunder and the Master Ground Lease Agreement may be assigned pursuant thereto.

Default by the Financing Corporation. Each of the following events shall be deemed a default by the Lessee and a breach of the Master Ground Lease Agreement:

1. Failure to pay, when due, any rent or portion thereof, or any other sum which the Lessee is obligated to pay under the terms of the Master Ground Lease

Agreement, and such sums remain unpaid for a period of thirty (30) days after receipt of written notice by Lessee from the Lessor;

2. Any assignment of the Master Ground Lease Agreement in violation of thereof;

3. Unauthorized use the Leased Premises and/or Existing Improvements, and such use shall continue for a period of fifteen (15) days after the Lessor shall have given written notice to the Lessee to desist from such use;

4. Abandonment by the Lessee of the Leased Premises and/or Existing Improvements;

5. Granting of a mortgage by the Lessee on the Leased Premises in violation of the Master Ground Lease Agreement;

6. Failure by the Lessee to comply with any other covenant or condition of the Master Ground Lease Agreement and such failure to comply shall continue for a period of fifteen (15) days after receipt of written notice thereof by Lessee from the Lessor; and

7. A default by the Lessee in the performance of any covenant or condition of the Master Operating Lease on its part to be observed and performed as lessor thereunder.

Remedies of the Lessor. Upon the occurrence of any event of default under the Master Ground Lease Agreement, the Lessor may terminate Master Ground Lease Agreement by written notice to Lessee and reenter upon and take possession of the Leased Premises, shall entitle the Lessor to assume all of Lessee's right, title and interest in and to the athletic facilities system, as well as all structures and improvements on the Leased Premises, and the furniture, furnishings, fixtures and equipment therein or thereon and, the Lessor shall be entitled to collect from the Lessee any and all costs, including reasonable attorney's fees, which the Lessor may incur by reason of the Lessee's default under the Master Ground Lease Agreement.