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**GROUND LEASE AGREEMENT**

by and between

**THE NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES,**  
as Lessor

and

**NEW COLLEGE OF FLORIDA PROPERTY CORPORATION**  
as Lessee

Dated as of April 1, 2006

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## GROUND LEASE

**THIS GROUND LEASE** (hereinafter referred to as this "Ground Lease") is made and entered into as of April 1, 2006, by and between **THE NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES** (the "University"), as lessor and **NEW COLLEGE OF FLORIDA PROPERTY CORPORATION**, a single-purpose, not-for-profit corporation organized and existing under the laws of the State of Florida, having an office in Sarasota, Florida (the "Corporation"), as lessee.

Capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A to the Master Trust referred to herein.

**WHEREAS**, the University is the lessee of certain parcels of real property located in Sarasota County, Florida under that certain Lease dated June 23, 1966 by and between the University, as ground lessee and the Sarasota-Manatee Airport Authority, a portion of which lands are the subject of this Ground Lease as more particularly described in Exhibit "A" hereto and incorporated herein by this reference (hereinafter referred to as the "Premises"); and

**WHEREAS**, the Premises consist of multiple Facility Sites located on the main campus of the University upon which certain of the University's existing residence halls and student activities center are located and certain unimproved lands leased from the Sarasota-Manatee County Airport Authority upon which new residence halls and related facilities will be constructed, installed and equipped (the "Project"); and

**WHEREAS**, the Corporation has acquired a leasehold interest in the Premises pursuant to this Ground Lease;

**WHEREAS**, the Premises will be leased by the Corporation to the New College of Florida Property Corporation (the "Lessee") pursuant to that certain Master Lease Purchase Agreement dated as of April 1, 2006 (the "Master Lease") pursuant to which the Lessee will undertake the acquisition, construction and installation of the Project, as more particularly described in the Master Lease; and

**WHEREAS**, in consideration for the acquisition and construction of the Project, the Corporation and the University are entering into this Ground Lease with respect to the Premises, and desire to set forth in writing the terms and conditions of their agreement.

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows;

**SECTION 1. LEASED PREMISES.** (a) Pursuant to the terms and provisions hereof, and under the authority of section 1013.171, Florida Statutes, the University hereby leases, grants, demises and transfers the Premises to the Corporation.

(b) The University hereby warrants that (i) subject to the Permitted Encumbrances, the University is the lessee of the Premises from the Sarasota – Manatee Airport Authority; (ii) all consents to or approvals of this Ground Lease required by law or any agreements or indentures binding upon the University have been obtained; (iii) the University has the right to lease the Premises to the Corporation pursuant to the terms and provisions hereof; and (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Premises. The University represents and warrants that none of the Permitted Encumbrances has an adverse effect on the use of the Premises or the enjoyment of the leasehold estate therein created under this Ground Lease.

**SECTION 2. TERM.** The term of this Ground Lease (the "Ground Lease Term") shall be for the period commencing on the Commencement Date, and ending on the date all obligations under the Master Lease have been satisfied; provided however, the Ground Lease Term shall not extend beyond the termination of the University Lease.

**SECTION 3. USE OF PREMISES.** (a) It is the express intent of the parties hereto that, for as long as the Master Lease is in effect and has not expired or been terminated:

(i) the Premises shall be used as student housing and student activity facilities and related facilities;

(ii) the Buildings and Equipment comprising a portion of the Project shall be acquired, constructed and installed by the Lessee as agent for the Corporation as provided in the Master Lease; and

(iii) the leasehold interest in the Premises shall be in the name of the Corporation upon the commencement of the Ground Lease Term until the earlier of (A) the date on which the Series 2006 Certificates (and any Completion Certificates and Refunding Certificates hereafter issued in connection with the Project) issued under the Master Trust shall no longer be Outstanding, or (B) the end of the Ground Lease Term.

(b) If the Master Lease has not expired or been terminated, the Corporation and each Permitted Transferee (as defined in Section 9(b) hereof) may use the Premises for any lawful purpose, in its sole discretion, and may alter, modify, add to or delete from the portions of the Project existing from time to time on the Premises.

(c) Neither the Corporation nor any Permitted Transferee shall use or permit the Premises to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

**SECTION 4. RENTAL.** The Corporation or its assignee shall pay to the University as and for rental for the Premises the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each Renewal Lease Term.

**SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.** (a) The Corporation or its assignee shall at all times during the Ground Lease Term have a leasehold estate in the Premises with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee.

(b) Possession and use of the Premises, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Ground Lease, automatically revert to the University free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Ground Lease, the Corporation or its assignee shall peaceably and quietly surrender to the University the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the University, shall execute an instrument prepared by or on behalf of the University in recordable form evidencing such surrender and shall deliver to the University all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereon in the possession of the Corporation or any Permitted Transferee.

(c) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Premises after expiration or earlier termination of the Ground Lease Term and for sixty (60) days after request by the University for removal, shall, at the option of the University, be deemed to have been abandoned and may be retained by the University and the same may be disposed of, without accountability, in such manner as the University may see fit.

(d) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Premises after expiration or earlier termination of this Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay a rental rate equal to the fair market rental of the Premises as determined by a fair market rental appraisal obtained by the University.

(e) The provisions of Sections 5(a), 5(b) and 5(c) hereof shall not apply to vending machines or other commercial equipment or trade fixtures located in or about the Premises to the extent that such equipment is readily removable from the Premises without causing material harm or damage thereto and that such equipment is not owned by the Corporation or any Permitted Transferee.

**SECTION 6. UNIVERSITY'S INTEREST NOT SUBJECT TO CERTAIN LIENS.**

It is mutually intended, stipulated and agreed that neither the fee simple title to nor any interest of the University or the Board of Trustees in the Premises may be subject to liens of any nature arising by reason of any act or omission of the Corporation or any Person claiming under, by or through the Corporation, including, but not limited to, mechanics' and materialmen's liens.

**SECTION 7. INSURANCE.** The Corporation covenants and agrees with the University that the Corporation will cooperate with the University in providing any information necessary for the University to obtain and maintain in full force and effect insurance coverages desired by the University or required by the Master Lease.

**SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.** Except with regard to any environmental conditions and subject to the provisions of this Section 8, the Corporation agrees to accept the Premises in their presently existing condition, "as is."

(b) It is understood and agreed that the University has determined that the Premises will safely or adequately support the Project, and hereby certifies same to the Corporation.

**SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.** (a) If the Master Lease has been terminated, subject to the terms and conditions herein provided, the Corporation may enter into a mortgage or mortgages of its leasehold interest created hereby in the Premises as security for the performance of its obligations under any financing obtained by the Corporation; provided, however, the fee title to the Premises shall not be subject to, or otherwise encumbered by, any such mortgage; provided, however, that each such leasehold mortgage shall be subject to the provisions of Section 9(d) hereof. Any such mortgage executed by the Corporation or its assignee pursuant to the provisions of the preceding sentence shall be hereinafter called a "Leasehold Mortgage" and the holder of any such mortgage shall be hereinafter called the "Leasehold Mortgagee."

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the University's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Master Lease has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2006 Certificates, and (ii) the Corporation shall sublet all of the Premises to the Lessee (the "Initial Sublessee") under the Master Lease. If the Master Lease shall have been terminated, the Corporation or its assignee may sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the University; provided, however, that no Permitted Sublease shall relieve the Corporation of any of its duties or obligations hereunder without the prior written consent of the University; provided, however, that each Permitted Sublease shall be

subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b).

(c) If the Corporation or its assignee proposes to create a Permitted Sublease of any portion of its interest in this Ground Lease, the Corporation shall provide written notice thereof to the University containing the names and addresses of the proposed assignee(s), sublessee(s) or transferee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of any Permitted Sublease to a Permitted Transferee.

(d) Nothing herein shall prevent the Corporation or its assignee from entering into a Leasehold Mortgage or a Permitted Sublease for individual parcels of land constituting the Premises. It shall not be necessary for a Leasehold Mortgage or a Permitted Sublease to cover all of the Premises.

(e) The University recognizes that the Corporation, or its assignee, has the right to re-let the Series 2006 Project under the terms of the Master Lease upon an Event of Default.

**SECTION 10. UTILITY EASEMENTS.** The University reserves the right to grant nonexclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Premises but only to the extent reasonably necessary to provide services to the Premises or any other real property adjacent to the Premises; provided, however, that such grant and any use permitted thereby is not detrimental to the use or operation of the Premises or to any other uses permitted hereunder after the Ground Lease Term, will not impose any cost upon the Corporation or its assignee, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises, including, without limitation the Series 2006 Project, will not impair or diminish the security of any Leasehold Mortgagee or Permitted Transferee hereunder. The University agrees to indemnify and save harmless, to the extent permitted by law, the Corporation or its assignee, the Board of Trustees and any Leasehold Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

**SECTION 11. DUTIES DEEMED PERFORMED.** All obligations of the Corporation hereunder which are assumed by the Initial Sublessee shall be deemed, as between the University and the Corporation hereunder, fully performed whether or not such Initial Sublessee actually performs same.

**SECTION 12. TAXES AND FEES.** (a) The University represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Master Lease is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Corporation agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 2006 Project, or any

interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

(b) Notwithstanding the foregoing provision, either the Lessee or the Corporation shall, after notifying the other party hereto of its intention to do so, have the right in its own name or behalf, or in the name and behalf of the other party hereto, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in connection with such contest, the Corporation may refrain from paying such tax or assessment. Each party shall, upon request by the other party hereto, assist and cooperate with the other party hereto in any such proceedings.

(c) In the event that the Corporation shall fail to pay any of the items required under this Section 12, the University may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the Corporation and Supplemental Rent under the Master Lease.

**SECTION 13. DEFAULT BY THE CORPORATION.** (a) Each of the following events shall be deemed a default by the Corporation hereunder and a breach of this Ground Lease:

(i) If the Corporation or its assignee shall fail to pay, when due, any rent or portion thereof, or any other sum, if any, which the Corporation or its assignee is obligated to pay under the terms and provisions of this Ground Lease, and such rent or other sums, if any, remain unpaid for a period of thirty (30) days after receipt of written notice to the Corporation from the University;

(ii) If the Corporation or its assignee shall attempt to mortgage the leasehold estate hereby created in violation of Section 9(a) hereof or to assign this Ground Lease, or any portion thereof, or to sublease any portion of the Premises or the Series 2006 Project in violation of Section 9(b) hereof; or

(iii) If the Corporation or its assignee shall use the Premises for any purposes not permitted by this Ground Lease, and such use shall continue for a period of thirty (30) days after the University shall have given written notice to the Corporation or its assignee to desist from such use.

(b) In the event that the item of default set forth in Section 13(a) (iii) above is of such a nature that it cannot be remedied within the time limits therein set forth, then the Corporation shall have such additional time as is reasonably necessary to cure such default, provided the Corporation diligently commences the curing of such default within said time limits and proceeds to completely cure the same in a timely and diligent manner.

(c) In the event that any Permitted Transferee or Leasehold Mortgagee exists of record at the time that a default occurs hereunder, the University shall give notice thereof to each such Permitted Transferee and Leasehold Mortgagee and each such party shall have thirty