

FACILITIES SUBLEASE AND MANAGEMENT AGREEMENT

THIS FACILITIES SUBLEASE AND MANAGEMENT AGREEMENT ("Sublease"), effective as of the 1st day of April, 2006, is between the New College of Florida Development Corporation, as sublessor ("Development Corporation"), and New College of Florida, on behalf of its Board of Trustees, as sublessee ("NCF").

WITNESSETH:

Development Corporation holds a leasehold interest in that certain real property ("Property") more particularly described in Exhibit A and in that certain Ground Lease dated as of April 1, 2006 ("Ground Lease") between NCF, as ground lessor, and the Development Corporation, as ground lessee. Capitalized terms not otherwise defined herein shall have the meaning as set forth in the Master Lease Purchase Agreement (the "Master Lease Agreement") dated as of April 1, 2006 by and between Development Corporation and the New College of Florida Property Corporation ("Property Corporation").

Development Corporation plans to construct or cause to be constructed upon a portion of the Property certain student housing facilities (the "New Facilities") to be used by students and faculty of NCF.

NCF previously constructed certain student housing facilities which are located on the remainder of the Property (the "Existing Facilities") which the Development Corporation has agreed to improve and renovate. The New Facilities and the Existing Facilities are collectively referred to herein as the Facilities.

NCF desires to sublease the Facilities from Development Corporation and manage and maintain the Facilities in order to provide student housing to students matriculating at NCF and Development Corporation is willing to sublease the Facilities to NCF for such purposes pursuant to the terms and conditions provided herein.

Based on the foregoing, Development Corporation subleases the Facilities to NCF upon the following terms and conditions:

1. Description of the Property. The Facilities are located on the Property in Sarasota County, Florida and is more particularly described in Exhibit A.
2. Lease Term. This Sublease shall be effective as of the date of the issuance of the Series 2006 Certificates and shall terminate on the later of July 1, 2036 or the date the Series 2006 Certificates are no longer outstanding (the "Lease Term" or "Term"). Upon termination of the Lease, Development Corporation shall transfer its fee simple title to the Facilities and its leasehold interest in the Property to NCF unless required otherwise by the terms and conditions of the Ground Lease which shall supersede and control the terms and conditions of this Sublease.
3. Use of Facilities. NCF shall use the Facilities exclusively as student housing for students and faculty of NCF.
4. Rental Payment. NCF shall pay Lease Payments during the term of the lease on the dates and in the amounts as required Series 2006 Supplemental Trust Agreement by and among SunTrust Bank, as Trustee, Development Corporation and Property Corporation. The

Lease Payment provided for in this Sublease shall be an absolute net return to Development Corporation so that this Sublease shall yield to Development Corporation the amount necessary to pay all amounts due under the Lease Schedule and all costs, expenses and obligations of every kind and nature whatsoever, whether general or special, ordinary or extraordinary, that may be necessary in connection with the use, occupancy or operation of the Facilities or the Property. Such amounts shall be paid by NCF including any reasonable administrative costs of Development Corporation and any obligations of Development Corporation set forth in the Ground Lease such as rent payments, costs of insurance, audited financial returns, and any ad valorem taxes or assessments related to the Property or Facilities.

All provisions of the Lease are to be construed in light of the intent that this be an "Absolute Triple Net Lease"; provided, however, NCF shall not be obligated to pay any income taxes which may be levied against Development Corporation.

5. Source and Security for Lease Payments. The obligation to pay Lease Payment and the other amounts due hereunder is not a general obligation of NCF and not a pledge of the NCF's full faith and credit. Payments due hereunder shall be payable solely from System Revenues. NCF hereby grants a lien on and security interest in the System Revenues.

6. Construction of the Improvements. The Development Corporation hereby appoints NCF as its agent to carry out all phases of the acquisition, construction and installation of the Project in accordance with the Plans and Specifications and pursuant to the provisions of the Master Lease Agreement, and NCF, as agent of the Development Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding acquisition, construction and installation of the Project. The Development Corporation and NCF further agree that the Facilities will be acquired, constructed and installed in accordance with the Project Budget and the Project Schedule relating thereto, which is provided in Lease Schedule No. 2006, dated as of April 1, 2006. NCF may, at any time prior to the Completion Date for the Facilities, make modifications to the Facilities and substitute items or components constituting a portion of the Facilities, subject to the provisions of Section 3.03(b) of the Master Lease Agreement, if (i) NCF files with Development Corporation, and the Trustee, a certificate of an Authorized Officer of NCF notifying Development Corporation of such modification, addition or substitution, identifying the portion of the Facilities which is modified, added or substituted, and certifying that after such modification, addition or substitution, amounts on deposit in the Series 2006 Subaccount of the Project Account, together with interest earnings thereon and any additional legally available sums contributed by NCF, will be sufficient to pay all remaining Costs of the Facilities, including Costs incurred in connection with such modification, addition or substitution and any Costs which shall have accrued but remain unpaid as of such date.

NCF covenants to contribute at least \$700,000 towards the costs of the Project representing funds which have been appropriated or are anticipated to be appropriated by the State into the Capital Improvement Trust Funds and to be made available to NCF for the Project.

In the event the Costs of the Facilities exceed the amounts on deposit in the Series 2006 Subaccount of the Project Account and the contributions from NCF as described above NCF covenants and agrees to pay such excess Costs to complete the Facilities or reduce the Costs to fit within the Project Budget. NCF will endeavor to enter into a guaranteed maximum price contract for the construction of the Facilities within the Project Budget. NCF covenants with Development Corporation that NCF will not enter into any contract related to the construction

or installation of the Facilities unless NCF establishes to the satisfaction of Development Corporation and the Trustee that sufficient funds are available to NCF to complete the Facilities.

7. Maintenance of Improvements. NCF shall maintain the Facilities in good condition and repair. NCF shall provide, or cause to be provided all maintenance (interior, exterior, and landscaping), cleaning services, repairs, and capital replacements for the Facilities at the same level of quality as provided to its other student housing facilities.

8. Condition of Property. NCF warrants that the Facilities is or will be constructed to the standards or approved variances for use as a NCF student housing facilities. NCF shall consult with Development Corporation prior to and during construction of the Facilities to insure that NCF is aware of the relevant construction standards for such facilities.

9. Liability/Insurance. NCF assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of NCF and its officers, employees, servants, and agents thereof while acting within the scope of their agency or employment with NCF. Development Corporation and NCF agree that nothing contained herein shall be construed or interpreted as (1) denying to either party any remedy or defense available to such party under the laws of the State of Florida; (2) the consent of the State of Florida or its agents and agencies to be sued; or (3) a waiver of sovereign immunity of the State Florida beyond the waiver provided in Section 768.28, Florida Statutes. At all times during this Sublease, NCF shall participate in the State of Florida Self-Insurance Trust Fund as required by Section 1001.72 (3), Florida Statutes. In addition, Development Corporation shall maintain liability and property coverage in an amount required by its risk management policies during the term of this Agreement the expense for which shall be reimbursed by NCF pursuant to the terms hereof.

10. Prohibitions Against Liens or Other Encumbrances. Development Corporation holds a leasehold interest in the Property. Fee title is held by NCF. NCF shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the Property including, but not limited to, mortgages or construction liens against the Property or against any interest of Development Corporation. NCF shall cause any liens placed upon the Property to be immediately removed upon request of Development Corporation.

11. Utility Services. NCF shall be responsible for the payment of all charges for the furnishing of gas, electricity, water and other public utilities to the improvements.

12. Taxes. In the event that at any time in the future any tax or assessment should be levied against the Property, the Facilities, or any part thereof, or upon any estate hereby created by this Sublease, whether as ad valorem or other taxes, NCF shall pay and discharge the same promptly. Payment of said taxes or assessments shall be in addition to the rental payment provided for in paragraph 4 of the Lease. Notwithstanding the foregoing, NCF and Development Corporation do not anticipate any tax or assessment being levied against the Property, the Facilities, or any part thereof, or upon any estate hereby created by this Sublease, due to the use of the Facilities for on-campus student housing.

13. Other Costs and Expenses. Upon receipt of documentation of any expense paid by Development Corporation directly related to the Facilities, NCF will promptly reimburse Development Corporation for such expense, including the expenses for liability and property

insurance set forth in Section 8 hereof, expenses arising as a result of the Ground Lease and the annual management fee charged by Development Corporation.

14. Default. Should NCF breach any of the covenants, terms, or conditions of this Sublease, Development Corporation shall give NCF written notice to remedy such breach within thirty (30) days of such notice. In the event NCF fails to remedy the breach within thirty (30) days of receipt of written notice, unless NCF has undertaken curative action (other than for monetary defaults) and continues in good faith and with due diligence to cure the breach, NCF shall be in breach of this Sublease (an "Event of Default"). Upon the occurrence of an Event of Default by NCF, Development Corporation may exercise the remedies described in this Section as follows:

(a) Development Corporation may cancel and terminate this Sublease and dispossess NCF;

(b) Development Corporation may without terminating or canceling this Sublease declare all amounts and rents due under this Sublease for the remainder of the term to be immediately due and payable, and thereupon all rents and other charges due hereunder to the end of the term will be accelerated;

(c) Development Corporation may elect to enter and repossess the Facilities and Property and relet the Facilities and Property for NCF's account, holding NCF liable in damages for all expenses incurred in any such reletting and for any difference between the amount of rent received from such reletting and the amount due and payable under the terms of this Sublease;

(d) Development Corporation may enter upon the Facilities and Property and do whatever NCF is obligated to do under the terms of this Sublease (and NCF will reimburse Development Corporation on demand for any expenses which Development Corporation may incur in effecting compliance with NCF's obligations under this Sublease, and Development Corporation will not be liable for any damages resulting to NCF from such action).

All the remedies of Development Corporation in the event of NCF's Default will be cumulative and in addition, Development Corporation may pursue any other remedies permitted by law or in equity.

15. Notices. All notices given under this Sublease shall be in writing and shall be served by certified mail to the last address of the party to whom notice is to be given, as designated by such party in writing. Development Corporation and NCF hereby designate their address as follows:

Development Corporation: New College of Florida Development Corporation
c/o New College of Florida
Office of the Vice President for Finance and
Administration
110 Cook Hall
5700 North Tamiami Trail
Sarasota, FL 34243-2197

NCF: New College of Florida
Office of the Vice President for Finance and
Administration
110 Cook Hall
5700 North Tamiami Trail
Sarasota, FL 34243-2197

With a copy to: Office of the General Counsel
110 Cook Hall
5700 North Tamiami Trail
Sarasota, FL 34243-2197

16. Sub-Leases. This Sublease is for the purposes specified herein and any sub-subleases other than the sublease of the retail space to be contained in the Facilities are prohibited without the prior written approval of Development Corporation.

17. Easement. All easements except for utility easements are expressly prohibited without the prior written approval of Development Corporation.

18. Inspection. Development Corporation shall have the right, at any and all reasonable times, to enter upon the Property and into the improvements for the purpose of making inspections to determine whether NCF is complying with the terms of this Sublease.

19. Non-Discrimination. NCF shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the improvements.

20. Management of Facilities. The parties agree that NCF shall be solely responsible for management of the Facilities as a student union. NCF shall directly provide such management pursuant to the rules and policies of NCF. Upon approval of Development Corporation, not to be unreasonably withheld, NCF may retain a professional management company to manage the Facilities. However NCF shall still maintain sole responsibility for operation of the Facilities. In no event shall Development Corporation have any liability or responsibility for any damages arising out of operation of the Facilities.

21. Governing Law/Venue. This Sublease shall be governed by and interpreted according to the laws of the State of Florida. Venue for any litigation arising from matters relating to this Sublease shall be in Sarasota County, Florida.

22. Time of Essence. Time is expressly declared to be of the essence of this Sublease.

23. Binding Effect and Inurement. This Sublease shall be binding on and shall inure to the benefit of the successors and assigns of the parties hereto, but nothing contained in this paragraph shall be construed as consent by Development Corporation to any assignment of this Sublease or any interest therein by NCF.

24. Duplicate Originals. This Sublease is executed in duplicate originals each of which shall be considered an original for all purposes.

25. Partial Invalidity. If any term, covenant, condition or provision of this Sublease shall be ruled by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

26. Entire Understanding. This Sublease sets forth the entire understanding between the parties and shall only be amended with the prior written approval of Development Corporation.

27. Section Captions. Articles, subsections and other captions contained in this Sublease are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Sublease or any provisions thereof.

28. Assignment. This Sublease shall not be assigned in whole or in part without the prior written consent of Development Corporation. Any assignment made either in whole or in part without the prior written consent of Development Corporation shall be void and without legal effect. Notwithstanding the foregoing, Development Corporation may assign or pledge this Sublease as security for the Series 2006 Certificates issued to finance the construction of the Facilities.

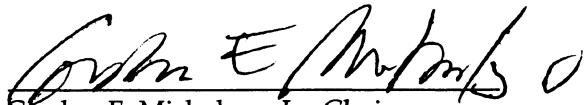
29. No Waiver of Breach. The failure of Development Corporation to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this Sublease shall not be construed as a waiver of such covenants, terms and conditions, and the same shall continue in full force and effect, and no waiver of Development Corporation of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by Development Corporation.

30. Obligations Under Ground Lease. NCF agrees to assume and comply with all the obligations imposed upon Development Corporation, including but not limited to any and all financial, maintenance, repair, management, insurance, environmental compliance, and other obligations of Development Corporation, under the Ground Lease except as may be prohibited by law.

31. Damage to Facilities. If any damage to the Facilities or Property results from any act or negligence of NCF, Development Corporation may at Development Corporation's option repair such damage, and NCF will thereupon reimburse to Development Corporation the total cost of such repairs and damages to the Facilities or Property to the extent allowed by law; provided, however, that Development Corporation waives any right of action against NCF for any loss or damage to the Facilities or Property, resulting from fire or other casualty by such act or negligence if Development Corporation's insurance policy covers such loss or damage and permits such a waiver and Development Corporation actually receives reimbursement for such loss or damage pursuant to such insurance policy.

IN WITNESS WHEREOF, the parties have caused this Sublease to be executed the day and year first above written.

DEVELOPMENT CORPORATION:
New College of Florida
Development Corporation

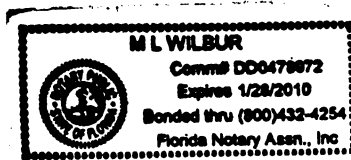
By: 
Its: Gordon E. Michalson, Jr., Chair

STATE OF FLORIDA)
)ss
COUNTY OF SARASOTA)

The foregoing instrument was acknowledged before me this 6th day of April, 2006, by Gordon E. Michalson, Jr., as Chair of New College of Florida Development Corporation, on behalf of the corporation who is personally known to me or who provided _____ as identification and did not take an oath.



Notary Public
My commission expires:



NCF:

New College of Florida, on behalf of
Its Board of Trustees

By: *Gordon E Michalson*
Gordon E. Michalson, Jr., President

STATE OF FLORIDA)
)ss
COUNTY OF SARASOTA)

The foregoing instrument was acknowledged before me this 6th day of April, 2006, by Gordon E. Michalson, Jr., as President of New College of Florida, who is personally known to me or who provided _____ as identification and did not take an oath.

M L Wilbur
Notary Public
My commission expires:

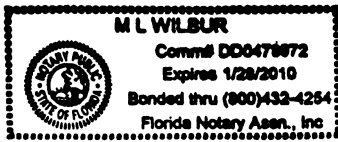


EXHIBIT A
Description of Leased Property