

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter referred to as this "Sublease Agreement" or this "Sublease") is made and entered into as of _____, 2000, by and between STATE OF FLORIDA BOARD OF REGENTS FOR THE FLORIDA STATE UNIVERSITY (hereinafter referred to as "SUBLESSOR") and FLORIDA STATE UNIVERSITY SCHOOLS, INC., a Florida not for profit corporation operating a developmental research school under a charter granted by The Florida State University (hereinafter referred to as "SUBLESSEE").

A. Pursuant to that certain Lease Agreement No. 4293, dated _____, 2000 by and between the State of Florida Board of Trustees of the Internal Improvement Trust Fund (the "Board" or the "Owner") and SUBLESSOR, recorded at Official Records Book ____, Page ____, of the Public Records of Leon County, Florida. (the "Main Lease"), the Board leased to SUBLESSOR certain real property situated in Leon County, Florida and legally described in Exhibit A attached hereto and made a part hereof (the "Premises") for a period of fifty (50) years commencing _____, 2000, subject to the terms, conditions and provisions contained therein.

B. SUBLESSEE intends to construct certain improvements on the Premises consisting of a K-12 developmental research school facility and related facilities and parking (collectively, the "Improvements"), all as more specifically described on Exhibit B attached hereto and made a part hereof.

Subject to the terms and conditions hereinafter set forth, SUBLESSOR desires to sublease to SUBLESSEE the Premises.

IN CONSIDERATION of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SUBLESSOR and SUBLESSEE hereby agrees as follows:

Section 1. ~~1~~ PREMISES.

(a) Pursuant to the terms hereof, SUBLESSOR hereby subleases, grants, demises and transfers over to SUBLESSEE the Premises.

(b) SUBLESSOR hereby warrants that:

(i) subject only to the Permitted Encumbrances (as hereinafter defined), SUBLESSOR owns the leasehold estate in the Premises and has good marketable and insurable title to the leasehold estate in the Premises, pursuant to the Main Lease, and owns unencumbered all such right, title and interest;

(ii) all the terms and conditions of the Main Lease are in full force and effect;

(iii) all consents to or approvals of this Sublease Agreement necessary under the Main Lease, if any, have been provided in recordable form and will be reflected in the Memorandum of Lease referred to in Section 20 hereof;

(iv) the consents to or approval of any "Permitted Transferee" (as hereinafter defined) necessary under the Main Lease, if any, have been procured in recordable form and will be reflected in the Memorandum of Lease referred to in Section 20 hereof;

(v) the permitted uses and activities under this Sublease Agreement constitute "public purposes" as described in the Main Lease;

(vi) SUBLESSOR has the right to sublease the Premises to SUBLESSEE pursuant to the terms hereof,

(vii) there are no agreements between SUBLESSOR and the Board regarding the Premises other than the Main Lease, a true, correct and complete copy of each of which has been provided to SUBLESSEE;

(viii) all rents and other amounts required under the Main Lease have been paid;

(ix) SUBLESSOR is not in default under the Main Lease and there is no existing default by the Board under the Main Lease; no event has occurred, including executing this Sublease, which, with the giving of notice or the passage of time, or both, may constitute a default by SUBLESSOR or the Board under the Main Lease;

(x) SUBLESSOR is a public body corporate and politic, organized and validly existing under the laws of the State of Florida. This Sublease and all agreements, instruments and documents herein provided to be executed by SUBLESSOR are duly authorized, executed and delivered by and binding upon SUBLESSOR in accordance with their terms and no consent, authorization, approval or any third party is required in connection therewith. The individual executing this Sublease on behalf of SUBLESSOR and the consummation of the transaction contemplated hereby has been duly authorized by all necessary or appropriate action;

(xi) no litigation or proceedings are pending or threatened, and there are no outstanding judgments or arbitration awards, against the Premises or any part thereof or against SUBLESSOR by or before any court, municipal department, commissioner, board, bureau or agency, nor is there pending or presently contemplated public improvements in, about or outside the Premises which will in any manner affect access to the Premises;

(xii) the execution, delivery and performance of this Sublease does not and will not violate any law, ordinance, code, statute, rule, regulation, court order or covenant, condition or restriction that may affect the Premises or any part thereof, any interest therein, and any use thereof;

(xiii) there has not been commenced nor to the actual knowledge of SUBLESSOR is there contemplated by any governmental authority, condemnation of all or any portion of the Premises or condemnation or relocation of any roadways abutting the Premises;

(xiv) SUBLESSOR presently delivers notices to the Board under the Main Lease as follows:

Bureau of **Public Land** ~~{^}~~ **Administration**
Division of State Lands
Florida Department of Environmental Protection
3900 Commonwealth Blvd. , **Mail Station 130**
Tallahassee, Florida 32399
Attention:

(xv) there are no liens or claims for lien filed against the Premises or any labor, services or materials provided on behalf of SUBLESSOR or its agents or employees, or any unpaid amounts in connection therewith which could give rise to mechanics' liens against the Premises;

(xvi) SUBLESSOR has received no notice that an event has occurred which authorizes the Board to terminate the Main Lease;

(xvii) SUBLESSOR has paid all taxes and assessments which may be due and owing on the Premises or any part thereof;

(xviii) the Premises or any portion thereof has not been subject to any flooding and is not located within the flood plain;

(xix) all information contained herein concerning the Premises or as set forth in the Exhibits attached hereto and all documents and information submitted hereunder for SUBLESSEE's review and approval are true, correct and complete; and

(xx) SUBLESSOR has acknowledged that SUBLESSEE intends on financing the Improvements through the issuance by the City of Tallahassee, Florida of its Lease Revenue Bonds pursuant to a Resolution adopted by the SUBLESSEE on May 24, 2000 (the "Resolution").

For the purposes hereof, the term "Permitted Encumbrances" shall mean the following: (i) liens for taxes and assessments not then delinquent; (ii) the Main Lease; (iii) existing utility, access and other easements and rights of way, restrictions and such exceptions which do not underlie the Improvements or adversely affect the present use or occupancy of the Premises; and (iv) the "Development Order" dated

April 28, 1999 as approved by Resolution 99-R-0010 adopted by the City Commission of the City of Tallahassee, Florida, as amended prior to the date hereof, and applicable to the Premises (the "Development Plan")

Section 2. TERM. The term of this Sublease (the "Term") shall be for approximately fifty (50) years commencing on _____, 2000 ("Commencement Date"), and ending on June 30, 2050, or such earlier date of termination as shall be agreed to in writing by the SUBLESSOR and the SUBLESSEE. As used herein, the expression "term hereof" or any similar expression refers to the Term.

Section 3. MAIN LEASE.

(a) SUBORDINATION OF SUBLEASE. This Sublease is subject and subordinate in all respects to the Main Lease, which Main Lease is incorporated herein by reference as if fully set forth herein. From and after the Commencement Date, SUBLESSEE agrees, to the extent applicable to the Premises, to assume and be bound by all of the covenants and agreements made by SUBLESSOR as lessee under the Main Lease and to perform all of the duties, obligations and responsibilities of SUBLESSOR as lessee under the Main Lease. In the event of any conflict or inconsistency between the terms, conditions or provisions of the Main Lease and this Sublease, the terms, conditions and provisions of the Main Lease shall prevail.

(b) SUBLESSOR'S PERFORMANCE UNDER THE MAIN LEASE. SUBLESSOR covenants and agrees that from and after the date hereof it shall comply in all respects with the requirements of the Main Lease and shall not take any action or enter into any agreement which shall be in conflict with its obligations under this Sublease. From and after the date hereof and during the term of the Main Lease, SUBLESSOR shall not modify, extend or in any way alter the Main Lease, nor shall SUBLESSOR cancel or surrender the Main Lease, or waive, excuse, condone or in any way release or discharge the Board from the obligations, covenants, conditions and agreements to be performed by the Board under the Main Lease without SUBLESSEE's consent, which consent may be withheld in the sole discretion of SUBLESSEE.

Section 4. USE OF PREMISES.

(a) Compliance with Rules and Regulations. Neither SUBLESSOR nor SUBLESSEE shall use or permit the Premises to be used in violation of (i) the Main Lease, (ii) any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto relating to sanitation or the public health, safety or welfare, or (iii) the Development Plan.

(b) Severed Title. It is the express intention of SUBLESSOR and SUBLESSEE that title to the Improvements is and shall remain severed from title to the Premises.

Section 5. RENTAL. SUBLESSEE shall pay to SUBLESSOR, upon the occurrence of an event

of default under the Resolution and upon taking possession of the Premises, all of the following and for rent ("Rent"):

(a) the sum of \$ 1.00 per annum during the term hereof, which sum shall be due annually in advance on each July 1 and each calendar year anniversary thereof during the term hereof with the initial rent payment due _____, 2000, and shall be payable or prepayable at any time not later than the due date thereof, provided, however, the SUBLESSEE shall have the right to prepay its rental obligation hereunder in full at the time of execution hereof by the payment of \$50.00 to the SUBLESSOR;

(b) general real estate taxes levied upon or assessed against the Premises;

(c) all other taxes, assessments, charges and impositions of any municipal or governmental authority which may be imposed or assessed against the Premises or the Improvements or any part thereof or any interest therein; and

(d) any sums becoming due under the Main Lease applicable to the Premises from and after the Commencement Date.

Section 6. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.

(a) Ownership. SUBLESSEE shall at all times during the term of this Sublease have a valid subleasehold interest in and to the Premises, subject to the terms and conditions contained in this Sublease. Upon the expiration of the Term hereof in accordance with Section 2 hereof, or upon a valid termination for cause pursuant to the provisions of Section 13 hereof, all right, title and interest of SUBLESSEE in and to all the Premises shall thereupon revert to SUBLESSOR or its successor in interest in the Premises. SUBLESSEE shall, nonetheless, thereafter execute and deliver to SUBLESSOR such evidence of title as SUBLESSOR may reasonably request.

(b) Surrender of Premises. The Premises **and Improvements** shall, upon the last day of the term hereof, automatically revert to SUBLESSOR free and clear of liens and encumbrances without necessity of any act by SUBLESSEE. Upon such termination of this Sublease, SUBLESSEE shall peaceably and quietly surrender to SUBLESSOR the Premises **and Improvements**, and all furniture, furnishings, fixtures and equipment (except for any furniture, fixtures or other equipment not owned by SUBLESSEE or SUBLESSEE's successor in interest) located in or upon the Premises.

(c) SUBLESSEE's OBLIGATION. Contemporaneously with the expiration of the term hereof, SUBLESSEE shall immediately execute and deliver to the SUBLESSOR the following (but nothing contained herein shall in any way limit or impair the rights of SUBLESSOR in the event of a default by the SUBLESSEE):

(1) Such documents of title and other instruments as SUBLESSOR may reasonably request to enable SUBLESSOR's leasehold and possessory rights in and to the Premises to be reflected of record; and

(2) All books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for the operation of the Improvements in the possession of SUBLESSEE.

(d) Abandonment. Any personal property owned by SUBLESSEE which shall remain on the Premises after expiration of the term of this Sublease and for thirty (30) days after request by SUBLESSOR for removal, shall, at the option of SUBLESSOR, be deemed to have been abandoned and may be retained by SUBLESSOR and the same may be disposed of without accountability, in such manner as SUBLESSOR may see fit.

(e) Holding Over. If SUBLESSEE holds over or refuses to surrender possession of the Premises after termination of this Sublease, SUBLESSEE shall be a tenant at sufferance and shall pay a rental rate equal to the fair market value rental of the Premises as reasonably determined by SUBLESSOR, in advance.

(f) Exception for Certain Property. The provisions of Sections 6(a), (b) and (c) hereof shall not apply to vending machines or other commercial equipment or personal property located in, or about the Premises to the extent that such equipment or personal property is readily removable from the Improvements without causing material harm or damage thereto and that such equipment or personal property is not owned by the SUBLESSEE.

Section 7. SUBLESSOR'S INTEREST NOT SUBJECT TO CERTAIN LIENS.

(a) Discharging Liens. In the event a lien, claim of lien or order for the payment of money shall be imposed against **SUBLESSEE'S subleasehold interest in and to** the Premises or the Improvements resulting from or arising out of any act or omission of SUBLESSEE or any person claiming under, by or through SUBLESSEE, SUBLESSEE shall, within thirty (30) days after receipt of notice of the imposition of such lien, claim or order cause the same to be discharged, satisfied, canceled or released, and the Premises and the Improvements to be released therefrom, by the payment of the obligation secured thereby or by the furnishing of a bond or by any other method which may be prescribed or permitted by law. SUBLESSEE shall thereupon furnish SUBLESSOR with evidence of having done so in form satisfactory and requisite for recording in the Office of the Clerk of the Circuit Court, Leon County, Florida.

(b) Bonding and Litigation. Notwithstanding the foregoing, should SUBLESSEE desire to contest the validity of any lien or claim of lien, nothing herein shall preclude SUBLESSEE from doing so,

provided that SUBLESSEE shall have first either (i) posted an appropriate and sufficient bond in favor of claimant and thereby obtained the release of the Premises and the Improvements from such lien. In such event the SUBLESSEE shall indemnify and hold the SUBLESSOR, the Board and the State of Florida harmless from and against any and all claims, actions, lawsuits, costs and expenses of any kind or nature arising out of such lien or claim of lien. If judgment is obtained by the claimant of any lien, SUBLESSEE agrees to pay the same immediately after such judgment shall have become final and the time for appeal therefrom has expired. SUBLESSEE shall, at its own expense, defend the interests of SUBLESSEE and SUBLESSOR in any and all such suits. SUBLESSOR may, at its own expense, engage its own counsel and assert its own defenses, in which event SUBLESSEE agrees to cooperate with SUBLESSOR and make available to SUBLESSOR all information and data deemed by SUBLESSOR to be necessary or desirable for such defense.

Section 8. INSURANCE.

(a) Types of Insurance. SUBLESSEE covenants and agrees with SUBLESSOR that SUBLESSEE will obtain, and maintain in full force and effect to the extent not otherwise obtained and maintained by the SUBLESSOR, the following:

(1) A policy or policies of comprehensive general liability insurance with combined single limits of not less than One Million Dollars (\$1,000,000.00) for any and all loss or liability resulting from personal injury, death or property damage arising out of, upon or in connection with the Premises, the Improvements, or any improvements or equipment thereon, or arising by reason of SUBLESSEE's occupancy of the Premises, or the operations of SUBLESSEE, its agents, employees, and contractors and subcontractors.

(2) Workers' compensation insurance and any other insurance coverage required by law.

(3) Property and Casualty Insurance insuring the Premises against loss by fire or other casualty in an amount equal to the replacement cost thereof, together with rental interruption insurance in an amount equal to the greater of twelve (12) months of lease payments under the Existing Leases or the maximum annual debt service on the Bonds.

(b) Insurer. Each and every policy of insurance required under this Section shall be written by an insurance company or companies licensed to do business in Florida, which company shall be reasonably acceptable to SUBLESSOR and shall name SUBLESSOR, the Board, and the State of Florida as additional insureds, as their interest may lie. A certificate evidencing these coverages shall be filed with SUBLESSOR **and the Board**, which certificate shall provide that written notice of cancellation or of any material change in such policy shall be delivered to SUBLESSOR at least forty-five (45) days in advance

of the effective date thereof. At least ten (10) days prior to the expiration of any such policy, a certificate showing that such insurance coverage has been renewed or extended shall be furnished to SUBLESSOR. In the event such insurance is canceled or reduced, SUBLESSEE shall, within thirty (30) days after receipt of written notice of the intention to cancel or reduce such coverage, file with SUBLESSOR a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

(c) Lack of Insurance. In the event that SUBLESSEE shall at any time fail, refuse or neglect to obtain and pay for any insurance required under this Section, SUBLESSOR may, at its sole option, obtain and/or pay for such insurance, and SUBLESSEE shall reimburse SUBLESSOR upon demand for the cost thereof, plus ten percent (10%) thereof (not to exceed \$500) for administrative overhead.

(d) Waiver of Subrogation. SUBLESSEE shall procure from each of the insurers under any and all policies of insurance set forth above, a waiver, in writing, at the time each such insurance policy is procured or renewed, of all rights of subrogation which each such insurer might otherwise have, if at all, against SUBLESSOR, the Board and the State of Florida.

(e) State of Florida. To the extent that any agency or instrumentality of the State of Florida using or occupying the Improvements provides either insurance or self insurance for such risks or liabilities, same shall fulfill the obligation of SUBLESSEE to provide insurance.

Section 9. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.

(a) Present Condition. Subject to paragraph (b) of Section 1 hereof, SUBLESSEE agrees to accept the Premises in their presently existing condition, "as is".

(b) Utilities. SUBLESSEE, at its sole expense, shall bring or cause to be brought to the Premises adequate connections for gas, water, electrical power, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Improvements water service and capacity sufficient for operation, heating, ventilation and air conditioning equipment in the Improvements. SUBLESSEE shall have the right, at its own expense, to request and receive telephone and communication services from the utility companies furnishing such services subject to the customary rules and regulations of said utility companies whether the companies deliver such services directly through their own conduits or pipes, or through conduits and pipes owned by SUBLESSOR. Any construction or extension of utility facilities shall be subject to prior written approval of the Board, and shall be made without cost to SUBLESSOR.

(c) Concealed Conditions. SUBLESSOR does not accept responsibility for nor assume the risk of (i) concealed conditions below the surface of the ground encountered in the performance of the con-

struction activity, (ii) unknown physical conditions above or below the surface of the ground, and (iii) latent defects in the Improvements.

Section 10. LIMITATION ON ASSIGNMENT AND SUBLETTING.

10.1 No Encumbrance of Fee. Subject to the terms and conditions herein provided, SUBLESSEE may not enter into a mortgage or mortgages of its interest in the leasehold estate created hereby or in the Improvements as security under any financing or refinancing pertaining to the Improvements **and the Board's fee interest in the Premises shall not be encumbered .**

10.2 Assignment and Subletting. Except as expressly provided in this Section 10.2 or as otherwise authorized by the Main Lease, SUBLESSEE shall not assign this Sublease Agreement, or any portion hereof, or sublease all or any portion of the Premises without the prior written consent of SUBLESSOR. Except as expressly permitted herein, any purported assignment, partial assignment or sublease without SUBLESSOR'S prior written consent in violation of this Section 10.2 shall be null and void.

10.3 Notice. If SUBLESSEE proposes to assign, sublet or transfer any portion of its interest in this Sublease (other than as is specifically authorized in the Main Lease), SUBLESSEE shall provide written notice in advance to the SUBLESSOR containing (i) the names and addresses of the proposed assignee(s), SUBLESSEE(s) or transferee(s); (ii) the terms and conditions of the proposed assignment, sublease or transfer; (iii) the nature and character of the business of the proposed assignee(s), SUBLESSEE(s) or transferee(s); and (iv) general financial information relating to the proposed assignee(s), SUBLESSEE(s) or transferee(s).

Section 11. TAXES AND FEES.

(a) SUBLESSEE Exempt. SUBLESSEE represents and warrants that so long as SUBLESSEE is operating a developmental research school under a charter from Florida State University, this Sublease and the leasehold interest created herein are exempt from ad valorem and intangible taxation. Should the Premises or any interest therein or improvement thereon ever become subject to any such taxes, SUBLESSEE 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 any interest in this Sublease, or any possessory right which SUBLESSEE may have in or to the Premises or the Improvements by reason of its use or occupancy thereof or otherwise.

(b) Right to Contest. Notwithstanding the foregoing provision, SUBLESSOR shall, after notifying SUBLESSEE of its intention to do so, have the right in its own name or behalf, or in the name and behalf of SUBLESSEE 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 SUBLESSEE

may refrain from paying such tax or assessment. SUBLESSOR shall, upon request by SUBLESSEE, assist and cooperate with the other party hereto in any such proceedings at no cost to SUBLESSOR. If SUBLESSEE desires to contest such tax or assessment it must first post bond in an amount sufficient to prevent forfeiture or loss of any portion of the Premises.

(c) Reimbursement. In the event that SUBLESSEE shall fail to pay any of the items required by it of this Section 11, the SUBLESSOR may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the SUBLESSEE, which amounts the SUBLESSEE agrees to pay to the SUBLESSOR promptly upon demand plus ten percent (10%) thereof (not to exceed \$500.00) for administrative overhead.

Section 12. DEFAULT BY SUBLESSEE.

(a) Events of Default. Each of the following events shall be deemed a default by SUBLESSEE hereunder and a breach of this Sublease:

(1) If SUBLESSEE shall fail to pay, when due, any rent or portion thereof within thirty (30) days after receipt of written notice to SUBLESSEE by SUBLESSOR or if SUBLESSEE shall fail to pay any taxes or assessments or portion thereof, or any other sum which SUBLESSEE is obligated to pay under the terms of this Sublease, and such taxes, assessments or other sums remain unpaid for a period of thirty (30) days after receipt of written notice to SUBLESSEE from SUBLESSOR;

(2) If SUBLESSEE shall attempt to assign this Sublease, or any portion thereof, or to sublease any portion of the Premises in violation of Section 10.2 hereof;

(3) If SUBLESSEE shall use the Premises for any purposes not permitted by this Sublease, and such use shall continue for a period of thirty (30) days after receipt of written notice to SUBLESSEE by SUBLESSOR to desist from such use; and

(4) If SUBLESSEE shall otherwise fail to comply with any material covenant or condition of this Sublease, and such failure to comply shall continue for a period of thirty (30) days after receipt of written notice thereof by SUBLESSEE from SUBLESSOR; provided, however, in the event such failure cannot, by its nature, be cured within such 30 day period, SUBLESSEE shall not be deemed in default hereunder so long as SUBLESSEE shall have commenced to cure such failure within said 30 day period and thereafter shall prosecute such cure to completion with reasonable diligence.

(b) Additional Time. In the event that any of the items of default set forth in subparagraphs (a)(3) and (a)(4) above is of such a nature that it cannot be remedied within the time limits therein set forth,

then SUBLESSEE shall have such additional time as is reasonably necessary to cure such default, provided SUBLESSEE diligently commences the curing of such default within said time limits and proceeds to completely cure the same in a timely and diligent manner.

Section 13. REMEDIES OF SUBLESSOR. Upon the occurrence of any event of default as set forth in Section 12 hereof which has not been cured and is not in the process of being cured under Section 12(b) or (c) hereof, SUBLESSOR may then terminate this Sublease subject to the provisions set forth herein by written notice to SUBLESSEE and enter upon and take possession of the Premises and any improvements constructed thereon. In the event SUBLESSOR elects to avail itself of the rights and remedies contained in this Section 13, then such election by SUBLESSOR shall entitle SUBLESSOR to assume all of SUBLESSEE's rights, title and interest in and to the Improvements, as well as all structures, fixtures and improvements on the Premises.

Section 14. NO WAIVERS. No waiver by either party hereto at any time of any of the terms, conditions, covenants or agreements of this Sublease, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same, nor of any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by the other party hereto. No delay, failure or omission of SUBLESSOR to reenter the Premises, nor by either party hereto to exercise any right, power, privilege or option arising from any default shall impair any right, power, privilege or option, or be construed to be a waiver of any such default, relinquishment thereof or acquiescence therein, and no notice by either party hereto shall be required to restore or revive time as being of the essence hereof after waiver by either party of default in one or more instances. No option, right, power, remedy or privilege of either party shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to each party by this Sublease are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law.

Section 15. QUIET ENJOYMENT. SUBLESSOR agrees that SUBLESSEE, upon the payment of the rent and all other payments and charges to be paid by SUBLESSEE under the terms of this Sublease, and observing and keeping the agreements and covenants of this Sublease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Sublease subject only to the prior possessory rights of the lessees under any Existing Lease, without hindrance or molestation from SUBLESSOR or anyone claiming by, through or under SUBLESSOR.

Section 16. TERMS BINDING UPON SUCCESSORS. All the terms, conditions and covenants of this Sublease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 17. CONDEMNATION.

(a) Substantial. In the event that any person or corporation, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the term of this Sublease acquire title to the Premises (which for the purpose of this Section only shall include not only the land hereby demised but also the Improvements and other improvements erected thereon by SUBLESSEE) or acquire title to such substantial portion thereof that SUBLESSEE cannot make use of the residue for the purposes intended by this Sublease, such acquisition of title shall terminate this Sublease, effective as of the date on which the condemning party takes possession thereof. SUBLESSOR and SUBLESSEE shall be entitled to separate awards, with SUBLESSOR entitled to the value of its leasehold interest under the Main Lease, SUBLESSEE shall be entitled to the fair market value of its leasehold interest including Improvements, and the Board shall be entitled to the value of the remainder interest in its fee simple interest in the lands condemned. To the extent that such award is insufficient to cover both SUBLESSOR and SUBLESSEE, SUBLESSEE shall have priority over SUBLESSOR, provided, however, that such priority shall not affect the rights of the Board or the State of Florida.

(b) Partial. Prior to completion of construction, if the condemning party acquires title to a portion of the Premises only, and SUBLESSEE can make beneficial use of the residue thereof for the purposes intended by this Sublease, then this Sublease shall continue in full force and effect and the total proceeds of condemnation shall be applied first to compensate the Board for the value of the fee simple title, if any, taken by the condemning authority, with the remainder of such proceeds being applied, secondly, toward payment of reasonable attorneys' fees and other necessary expenses incurred by the Board, the SUBLESSOR and the SUBLESSEE in connection therewith, and thirdly toward the repair or restoration of the improvements by SUBLESSEE in accordance with plans and specifications approved by SUBLESSOR which approval shall not be unreasonably withheld or delayed.

(c) Taking of Improvements. Any taking of any portion of the Improvements shall be deemed substantial hereunder.

(d) Appeals. It is understood that the foregoing provisions of this Section 17 shall not in any way restrict the right of SUBLESSOR or SUBLESSEE to appeal the award made by any court or other public agency in any condemnation proceeding.

Section 18. WASTE. SUBLESSEE shall not do, cause, allow or suffer to exist any waste or disfigurement to the Premises or the Improvements thereon or any part thereof or to any Improvements hereafter erected on the Premises.

Section 19. NON-MERGER OF LEASEHOLD. There shall be no merger of this Sublease or of the leasehold estate hereby created with the fee estate in the property described in Exhibit A attached hereto or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Sublease or leasehold estate hereby created or any interest in this Sublease or in such

leasehold estate and the fee estate in the property described in Exhibit A attached hereto or any interest in such fee estate.

Section 20. MEMORANDUM OF LEASE. Unless mutually agreed to the contrary, simultaneously with the execution of this Sublease the SUBLESSOR and SUBLESSEE shall each execute, acknowledge and deliver a Memorandum of Lease with respect to this Sublease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Sublease.

Section 21. [RESERVED]

Section 22. ESTOPPEL CERTIFICATES. SUBLESSOR, at any time and from time to time, upon not less than thirty (30) days' prior written notice from SUBLESSEE, will execute, acknowledge and deliver to SUBLESSEE, or to whomsoever they or any of them may direct, a certificate of SUBLESSOR certifying that this Sublease is unmodified (or, if there have been any modifications, identifying the same); that this Sublease is in full force and effect, if it is; that there is no default hereunder (or, if so, specifying the default); and such other statements regarding this Sublease as SUBLESSEE may reasonably request. It is intended that any such certificate may be relied upon by the SUBLESSEE or any purchaser from, or assignee, or transferee of the SUBLESSEE.

Section 23. MISCELLANEOUS.

(a) Laws of Florida Govern. This Sublease shall be governed by, and be construed in accordance with, the laws of the State of Florida.

(b) Force Majeure. Except as otherwise expressly provided herein, neither party shall be responsible for any delay in their respective performances called for under this Sublease which is caused by acts of God, war, national emergency, labor strike, shortages of material, or governmental regulations or control not in effect at the time of execution hereof.

(c) Notice and Delivery. Any notice required or desired to be given hereunder, or any items required or desired to be delivered hereunder, may be served or delivered personally or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to SUBLESSOR: State of Florida, Board of Regents

Tallahassee, Florida
ATTENTION:

If to SUBLESSEE: Florida State University Schools, Inc.

Tallahassee, Florida
ATTENTION:

or such other address or party as the party to be served may direct by written notice to the other party. If such notice is sent or delivery is made by registered or certified mail, such notice or delivery shall be deemed served, made and effective 3 business days after posting.

(d) Entire Agreement. It is mutually acknowledged and agreed by the parties hereto that this Sublease contains the entire agreement between SUBLESSOR and SUBLESSEE with respect to the subject matter of this Sublease Agreement; that there are no verbal agreements, representations, warranties or other understandings affecting the same; that SUBLESSEE, as a material part of the consideration hereof, hereby waives all claims against SUBLESSOR for rescission, damages or any other form of relief by reason of any alleged covenants, warranty, representation, agreement or understanding not contained in this Sublease; and that any change, modification, release, discharge or waiver of any provision contained herein shall be of no force, effect, or value, unless set forth in writing and signed by the party to be bound.

(e) Relationship of the Parties. Nothing herein contained shall be deemed to create a partnership or joint venture, nor shall the relationship between the parties be construed as principal and agent, or other than SUBLESSOR and SUBLESSEE.

(f) Captions. The captions of this Sublease are inserted solely for convenience of reference, and under no circumstances shall they be treated or construed as part of, or as affecting, this Sublease.

(g) Holidays Excluded. For purposes of computing any period of a number of days hereunder for notices or performance (but not for accrual of interest) Saturdays, Sundays and holidays shall be excluded.

(h) Severability. Any provision of this instrument in violation of the laws of the State of Florida shall be ineffective to the extent of such violation, without invalidating the remaining provisions of this instrument. In no event shall the SUBLESSEE or its assigns have any cause of action against the officers or employees of SUBLESSOR, or against any elected official of SUBLESSOR based upon or materially related to any finding by any court that any or all provisions of this instrument violate Florida law.

Section 24. SURVIVAL. The representations, warranties, terms and covenants of this Sublease shall survive the termination of this Sublease.

Section 25. MAIN LEASE NOTICES. From and after the date hereof, SUBLESSOR shall

immediately deliver to SUBLESSEE true, correct and complete copies of any notices, demands, communications or other instruments or documents received from or given by or to the Board by SUBLESSOR pertaining to any default under the Main Lease or in any way relating to or affecting the Main Lease or the Premises. During the term of this Sublease, SUBLESSEE is irrevocably appointed as SUBLESSOR's agent to perform those obligations under the Main Lease which have been specifically assumed by SUBLESSEE under this Sublease and SUBLESSOR and SUBLESSEE acknowledge and agree that such agency shall be communicated to the Board, in form, scope and substance acceptable to SUBLESSEE. Nothing herein shall impose any responsibility or obligation upon the Board to communicate or otherwise deal with the SUBLESSEE, and the Board, at its sole option and discretion, may continue to communicate and deal with SUBLESSOR, in its capacity as lessee under the Main Lease, in all matters pertaining to the Main Lease, the Premises or the Property.

Section 26. INDEMNIFICATION. SUBLESSEE covenants and agrees that it shall defend, indemnify and hold SUBLESSOR, the Board and the State of Florida, their respective invitees, employees, tenants, successors and assigns harmless from all loss, damage, charge, expense (including attorneys' fees and appellate attorneys' fees), claims and actions that SUBLESSOR, the Board or the State of Florida, their respective invitees, employees, tenants, successor and assigns of the SUBLESSOR, the Board or the State of Florida may suffer or sustain or be held liable for, arising out of or connected with any breach of or default under this Sublease by SUBLESSEE occurring after the later of the Commencement Date.

Section 27. DAMAGE TO THE PREMISES;HAZARDOUS SUBSTANCES. (a) SUBLESSEE shall not do, or suffer to be done, in, on or upon the {^} **Premises** or as affecting said {^} **Premises** or adjacent properties, any act which may result in damage or depreciation of value to the {^} **Premises** or adjacent properties, or any part thereof. (b) SUBLESSEE shall not generate, store, produce, place, treat, release or discharge any contaminants, pollutants or pollution, including, but not limited to, hazardous or toxic substances, chemicals or other agents on, into, or from the {^} **Premises** or any adjacent lands or waters in any manner not permitted by law. For the purposes of this {^} **Sublease**, "hazardous substances" shall mean and include those elements or compounds defined in 42 USC Section 9601 or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by the United States Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. "Pollutants" and "pollution" shall mean those products or substances defined in {^} Chapters 376 and 403, Florida Statutes, and the rules promulgated thereunder, all as amended or updated from time to time. In the event of SUBLESSEE'S failure to comply with this paragraph, SUBLESSEE shall, at its sole cost and expense, promptly commence and diligently pursue any legally required closure, investigation, assessment, cleanup, decontamination, remediation, restoration and monitoring of (1) the {^} **Premises**, and (2) all off-site ground and surface waters and lands affected by SUBLESSEE'S such failure to comply, as may be necessary to bring the {^} **Premises** and affected off-site waters and lands

into full compliance with all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders and decrees, and to restore the damaged property to the condition existing immediately prior to the occurrence which caused the damage. SUBLESSEE'S obligations set forth in this paragraph shall survive the termination or expiration of this ~~{^}~~ **Sublease**. Nothing herein shall relieve SUBLESSEE of any responsibility or liability prescribed by law for fines, penalties and damages levied by governmental agencies, and the cost of cleaning up any contamination caused directly or indirectly by SUBLESSEE'S activities or facilities. Upon discovery of a release of a hazardous substance or pollutant, or any other violation of local, state or federal law, ordinance, code, rule, regulation, order or decree relating to the generation, storage, production, placement, treatment, release or discharge of any contaminant, SUBLESSEE shall report such violation to all applicable governmental agencies having jurisdiction, and to SUBLESSOR, all within the reporting periods of the applicable governmental agencies.

IN WITNESS WHEREOF, SUBLESSOR and SUBLESSEE have caused this Sublease to be executed in duplicate, either of which may be considered an original, the day and year first above written.

SUBLESSOR

STATE OF FLORIDA BOARD
OF REGENTS

Witness

BY: _____(SEAL)

Print/Type Witness Name

Print/Type Name

Witness

Title: _____

Print/Type Witness Name

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by _____, as _____, State of Florida Board of Regents. He/she is personally known to me or produced _____ as identification.

Notary Public, State of Florida (SEAL)

Print/Type Notary Name

Commission Number:

Commission Expires:

SUBLESSEE

FLORIDA STATE UNIVERSITY
SCHOOLS, INC., a Florida not for
profit corporation

Witness

BY: _____(SEAL)

Print/Type Witness Name

Print/Type Name

Witness

Title: _____

Print/Type Witness Name

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this _____ day of _____, 2000,
by _____, as _____, Florida State University Schools,
Inc., a **Florida not for profit corporation on behalf of the corporation.** He/she is personally known
to me or produced _____ as identification.

Notary Public, State of Florida (SEAL)

Print/Type Notary Name

Commission Number:

Commission Expires:

EXHIBIT A

Legal Description of Real Property Leased Under Main Lease

EXHIBIT B

Description of Improvements

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between

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original document : J:\BONDS\99\3287\SUBLEASE.WPD.DOC

and revised document: J:\BONDS\99\3287\SUBL2.WPD.DOC

CompareRite found 20 change(s) in the text

Deletions appear as a Strikethrough ^ surrounded by {}

Additions appear as Bold text