

OPERATING LEASE AGREEMENT

THIS OPERATING LEASE AGREEMENT (this "Operating Lease"), was made as of the 1st day of December 1999, between **FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**, a Florida corporation not for profit (hereinafter the "Lessor"), and **THE BOARD OF REGENTS OF THE STATE UNIVERSITY SYSTEM, STATE OF FLORIDA** (hereinafter the "Lessee") for and on behalf of **FLORIDA INTERNATIONAL UNIVERSITY** (the "University"), each in consideration of the agreements to be performed by the other, hereby agree that Lessor shall grant and Lessee shall accept a lease of the Multi-Function Support Complex (as hereinafter defined) under the following terms and conditions:

WHEREAS, the Lessor was created for the purpose of, among other things, supporting the educational and scientific activities of Florida International University (hereinafter sometimes called the "University"), situated at Miami, Florida, and the State of Florida; and

WHEREAS, the Lessor has agreed to finance the construction of a building at the University consisting of approximately 75,000 gross square feet and related ancillary improvements (the "Multi-Function Support Complex"); and

WHEREAS, the financing will be secured by the Pledged Leased Payments (as hereinafter defined) pursuant to the Lease Assignment Agreement (as hereinafter defined) and in accordance with the terms of the Letter of Credit Agreement (as hereinafter defined); and

WHEREAS, the Lessor is duly authorized by law to borrow money for its lawful corporate purposes;

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Definitions. The following words, terms or phrases, when used in this Operating Lease have the meanings set forth below, unless the context clearly indicates a different meaning:

"Annual Budget" shall mean the budget prepared in accordance with Section 26 of this Operating Lease.

"Cost of Operation and Maintenance" shall mean all current expenses, paid or accrued, for the operation, maintenance and repair of all facilities of the Multi-Function Support Complex, as calculated in accordance with generally accepted accounting principles, and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the University related solely to the Multi-Function Support Complex, labor, cost of materials and supplies used for current operation, and charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with sound maintenance and accounting practices, but excluding any reserve for renewals or replacements, for extraordinary repairs or any allowance for depreciation.

"Fiscal Year" shall mean the 12-month period commencing July 1 of each calendar year, or such other fiscal year as adopted by the Lessor as its fiscal year.

"Ground Lease" shall mean that Ground Lease Agreement dated as of the date hereof between the parties hereto, as the same may be amended or supplemented from time to time.

"Indenture" shall have the meaning ascribed to it in Section 9 of this Operating Lease.

"Land" shall mean that certain parcel of real property in Miami-Dade County, Florida, located on the campus of the Florida International University more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof as the same may be modified from time to time.

"Lease Assignment Agreement" shall mean the Lease Assignment Agreement dated as of December 1, 1999 between Lessor and the Trustee, as the same may be amended or supplemented from time to time.

"Lender" shall mean SunTrust Bank, Miami, National Association, and its successors and assigns under the Letter of Credit Agreement.

"Letter of Credit Agreement" shall mean the Letter of Credit Agreement dated as of December 1, 1999 entered into between Lender and Lessor to finance the construction of the Multi-Function Support Complex, as the same may be amended or supplemented from time to time.

"Project" shall mean the Multi-Function Support Complex.

"Plans and Specifications" shall mean those Plans and Specifications developed and approved pursuant to the terms of the Ground Lease.

"Pledged Lease Payments" shall mean all payments made by Lessee to Lessor pursuant to Section 4 of this Operating Lease and assigned in accordance with Section 21 hereof.

"Related Financing Documents" shall mean all documents entered into by the Lessor in connection with the financing of the Multi-Function Support Complex including but not limited to the Letter of Credit Agreement (including any modifications thereto), this Operating Lease, the Ground Lease, the Lease Assignment Agreement, and any and all agreements to provide security for the obligations of the Lessor under the Letter of Credit Agreement, all as the same may be amended or supplemented from time to time.

"Trustee" shall mean SunTrust Bank, Central Florida, National Association, in its capacity as Trustee under that certain Indenture of Trust dated as of December 1, 1999 from the Miami-Dade County Educational Facilities Authority, as the same may be amended or supplemented from time to time.

SECTION 2. Demising Clause. Lessor hereby leases to Lessee all of its right, title and interest in and to the Multi-Function Support Complex.

SECTION 3. Lease Term. The term of this Lease with respect to the Multi-Function Support Complex shall begin on the earliest of:

(a) the thirtieth (30th) day following the date on which the architect supervising construction of new Multi-Function Support Complex shall certify in writing to the Lessor and to the Lessee that the new Multi-Function Support Complex is substantially complete and ready for use, provided Lessee, after inspection, does not object to such construction upon one of the grounds specified in Section 14 hereof or because such construction does not comply with the Plans and Specifications, in which event the thirty (30) day period shall begin to run from the date on which the architect supervising construction of the Multi-Function Support Complex shall certify in writing to the Lessor and to the Lessee that such defect is cured;

(b) the day Lessee shall have taken possession of the new Multi-Function Support Complex; or

(c) the day on which any payments shall become due and payable by Lessee under any of the Related Financing Documents.

Upon the occurrence of one of the above-described conditions, this Operating Lease shall in all respects become a lease of the Multi-Function Support Complex without any further action of the parties hereto.

The Lease shall terminate on the date on which all amounts due and owing by the Lessee under the Letter of Credit Agreement shall have been paid and all amounts due under the other Related Financing Documents shall have been paid, unless sooner terminated as provided herein.

SECTION 4. Rent. The Lessee agrees to pay Lessor, at such address, as Lessor shall designate in writing to Lessee during the term of this Operating Lease, the following rental:

(a) Base Rent. During the term of this Operating Lease, the Lessee agrees to pay on behalf of the Lessor rentals in an amount equal to all amounts due and payable by Lessor under the Letter of Credit Agreement and Related Financing Documents, payable at such times in such amounts as required by the Letter of Credit Agreement or otherwise under the other Related Financing Documents. Rent shall additionally include (to the extent not included in the above) all amounts (including, without limitation all fees, expenses and indemnities) required to be paid to any person pursuant to the Related Financing Documents, payable at such times as such amounts are required to be paid under such Related Financing Documents, including as necessary, all amounts necessary to pay unanticipated and extraordinary costs of operating and maintaining the Multi-Function Support Complex.

(b) Additional Rent. It is the intention of the parties that Lessee shall bear all expenses associated with the ownership, operation and rental of the Multi-Function Support Complex, including, but not by way of limitation, insurance, taxes, maintenance and repair.

Therefore, as additional rent. Lessee, during the term hereof, shall pay and discharge, except as hereinafter provided or as provided by general law, promptly after Lessee's receipt of an invoice therefor, all assessments, taxes, water rents and charges, sewer rents and any governmental impositions and other charges of every kind and nature whatsoever, extraordinary as well as ordinary, and each and every installment thereof, and all fees and charges of public and governmental authorities for maintenance, use and occupation of any building or facility covered hereby which shall or may during the term be charged or become due and payable or liens upon or for the Multi-Function Support Complex or any part thereof, or any appurtenances, or equipment thereof or therein, or the sidewalk or street in front of, or adjoining the Multi-Function Support Complex, under or by virtue of all present or future laws, ordinances, orders, rules or regulations of any governmental authorities having jurisdiction over the Multi-Function Support Complex. Additionally, Lessee shall pay or make provision for the payment of all charges for water, heat, gas, hot water, electricity, light and power, maintenance of parking areas and any other service or services furnished to the Multi-Function Support Complex or the occupants thereof, during the term of this Operating Lease promptly after the same shall become due and payable, all as provided by the Ground Lease. All such expenses shall be paid by Lessee notwithstanding whether Lessor or Lessee was or is primarily liable for the payment of said expense. Lessee shall be deemed to have complied with the covenant of this Subsection (b) if payment of such assessments, water rents, rates or charges, sewer rents, or other governmental impositions or charges have been made, either within any grace period allowed by law, during which payment is permitted without penalty or interest, or before same shall become a lien upon the Multi-Function Support Complex, whichever is later, and Lessee shall, upon written notice by Lessor, produce and exhibit to Lessor receipted bills or sufficient and adequate copies of same as proof of such payment upon request. It is expressly understood that any tax levied on the Multi-Function Support Complex, this Operating Lease or the Ground Lease shall be borne by Lessee and Lessee may pay the same directly to the appropriate authority, if applicable, or remit the amounts due, if any, to Lessor as additional rent and Lessor shall then make the remittance to the appropriate governmental authority. In addition thereto, if applicable, Lessee shall pay the additional rent set forth herein, during the term of this Operating Lease and all costs, expenses and obligations of any kind and nature whatsoever relating to the Multi-Function Support Complex, whether extraordinary or ordinary, and whether incurred from operation of the Multi-Function Support Complex, or through external services provided to the Multi-Function Support Complex, shall, except as otherwise provided herein, be paid by Lessee. Notwithstanding the foregoing, nothing herein contained shall require or be construed to require Lessee to pay any inheritance, estate, succession, transfer, gift, franchise, capital levy, income or profit tax or any corporate or partnership income tax, all of which, if applicable, shall be the sole and exclusive responsibility of Lessor.

(c) The obligation of the Lessee to pay the sums provided for herein, to make all other payments provided for in Subsections (a) and (b) above, and to perform and observe all other agreements and covenants on its part contained herein shall, subject only to Section 22 hereof, be absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim which the Lessee may otherwise have against the Lessor. The Lessee will not suspend or discontinue any such payment or fail to perform or observe any other agreements or covenants contained herein or terminate this Operating Lease so long as any amount shall be due

and payable by it under the Letter of Credit Agreement or any other Related Financing Document.

SECTION 5. Use of Multi-Function Support Complex.

(a) The Lessee shall use the Multi-Function Support Complex for the purpose of providing office, classroom and research facilities for Florida International University; provided, however, that Lessee may use the Multi-Function Support Complex for any other public purpose permitted by applicable zoning law, provided such use does not diminish Pledged Lease Payments below amounts necessary to comply herewith. The Multi-Function Support Complex shall be constructed in a manner consistent with the Florida International University Campus Master Plan, prepared and adopted by the Lessee in accordance with the requirements of §§ 240.155 (3)-(6) of the Florida Statutes.

(b) Prohibition. Lessee shall not permit the use of the Multi-Function Support Complex for any purposes which shall be noxious, injurious, or in any way harmful to the Multi-Function Support Complex, or to any persons occupying same, by reason of the production or emission of dust, smoke, refuse, gas fumes, noise, radiation, vibration or similar circumstances and conditions.

(c) Other Income. It is understood and agreed that Lessee may maintain, install and receive income from all concessions, franchises, coin operated equipment or machines of a similar nature, including but not limited to, food and beverage machines that Lessee may choose to operate on the Multi-Function Support Complex.

SECTION 6. Lessee's Duty to Maintain and Repair Multi-Function Support Complex. The Lessee, during the term of this Operating Lease, shall, at its expense, make all repairs and perform all maintenance as shall be reasonably necessary to keep the Multi-Function Support Complex in good condition and repair, suitable for the occupancy intended. The Lessee shall comply with all laws, ordinances, orders, regulations, rules, and requirements relating to the Multi-Function Support Complex or any support facilities thereto incident to or resulting from any use or occupation thereof by Lessee or its sublessees. The Lessee further agrees that all damages or injury done to the Multi-Function Support Complex by Lessee or by any person who may be in or upon the Multi-Function Support Complex shall be repaired by Lessee at its expense.

SECTION 7. Taxes. Although no taxes are anticipated to become due, Lessee shall pay all taxes relating to the Multi-Function Support Complex and this Operating Lease, including, but not by way of limitation, ad valorem taxes (real and personal), if any, general and special assessments, all taxes allocated to personal property located on or used in connection with the Multi-Function Support Complex, any sales tax or use tax imposed on the rent or the use and operation of the Multi-Function Support Complex pursuant to this Operating Lease, and any fines, penalties, interest or costs that may be charged for nonpayment of any such taxes. If Lessor is primarily liable for any such taxes, Lessee shall pay such amounts to Lessor as additional rental under Paragraph 4(b) hereof.

SECTION 8. Insurance and Loss.

(a) Lessee covenants and agrees with Lessor that Lessee, under this Operating Lease or any construction contract or similar document, will cause to be obtained and maintained in full force and effect at all times throughout the term of this Operating Lease (except as otherwise provided herein) a policy or policies of comprehensive general liability insurance (including contractual coverage) with combined single limits of not less than One Million Dollars (\$1,000,000) for any and all loss or liability resulting from personal injury, death or property damage arising out of, upon or in connection with the Multi-Function Support Complex, or any improvements or equipment thereon, or arising by reason of Lessee's or Lessor's occupancy of the Land.

(b) In lieu of commercial policies of insurance, the Lessee may provide insurance written by the Florida Fire Insurance Trust Fund and the Florida Casualty Insurance Risk Management Trust Fund of the State of Florida or its equivalent or successors. Each and every commercial policy of insurance required under this Section shall be written by an insurance company or companies acceptable to Lessee and Lessor and shall name Lessee, Lessor, the Board of Trustees of the Florida Internal Improvement Trust Fund and the State of Florida as insureds. A certificate evidencing these coverages shall be filed with Lessor, which certificate shall provide that written notice of cancellation or of any material change in such policy shall be delivered to Lessor 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 filed with Lessor. If such coverage is canceled or reduced, Lessee shall, within thirty (30) days after receipt of written notice of the intention to cancel or reduce such coverage, file with Lessor a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

(c) In the event that Lessor or Lessee shall at any time fail, refuse or neglect to obtain and pay for any insurance required under this Section, the other party may, at its sole option, obtain and/or pay for such insurance, and shall be entitled to reimbursement upon demand for the cost thereof, plus ten percent (10%) of such cost for administrative overhead.

(d) Lessee 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 Lessee, the Board of Trustees of the Florida Internal Improvement Trust Fund and the State of Florida.

SECTION 9. Application of Insurance Proceeds. Any proceeds if, as and when collected, shall be paid and used for the repair, rebuilding or restoration of the damaged facility. So long as there shall remain any amounts due and payable under the Letter of Credit Agreement, any proceeds of insurance shall be applied as provided in the Related Financing Documents and the Indenture of Trust dated as of December 1st, 1999 (as the same may be amended or supplemented from time to time, the "Indenture") from the Miami-Dade County Educational Facilities Authority to SunTrust Bank, Central Florida, National Association, as Trustee.

SECTION 10. Casualty.

(a) Notice and Rebuilding. If during the term of this Operating Lease the Multi-Function Support Complex or any furnishings and equipment installed therein at the commencement of the term of this Operating Lease or thereafter erected thereon, or therein, shall be destroyed or damaged in whole or in part by fire or any other cause, Lessee shall give to Lessor immediate notice thereof, and Lessee, at its own cost and expense, shall, except as hereinafter provided, repair, replace, and rebuild the same with a structure of substantially the same character and condition as existed immediately prior to such occurrence. So long as the Lessor shall remain obligated under the Letter of Credit Agreement, the proceeds of any insurance shall be paid as provided in the Related Financing Documents.

(b) Additional Payment. If the net amount of insurance proceeds shall be insufficient for the proper and effective repair, replacement or rebuilding of the Multi-Function Support Complex or any fixtures or equipment thereof, Lessee shall pay the additional sum required to effect such repair, replacement or rebuilding subject to legal restrictions governing the availability of funds for such purpose. Any excess insurance proceeds shall be retained by Lessee.

(c) Reconstruction Progress. Lessee shall commence any restoration and rebuilding required by this Operating Lease within eighteen (18) months of the loss giving rise to the obligation to replace or repair.

Under no circumstances shall Lessor cancel this Operating Lease if reconstruction by Lessee is proceeding normally or if such reconstruction efforts, or the commencement thereof, are hindered or halted by any act beyond the control of the parties. All such work and the performance thereof shall be performed in workmen like manner and proceed with due diligence to completion.

(d) Continuity of Rent. In the event of the partial or complete destruction of the Multi-Function Support Complex, Lessee's obligation to pay the rent due hereunder shall continue so long as any amount shall be due and owing by Lessor under the Letter of Credit Agreement or any other Related Financing Document.

SECTION 11. Assignment and Subletting. Lessee shall not have the right to assign this Operating Lease or any interest therein, or to sublet any portion of the Multi-Function Support Complex, other than to an agency or instrumentality of the State of Florida, without the prior express written consent of Lessor; provided, however, Lessee may let or sublet space in the Multi-Function Support Complex or any part thereof or any right or privilege pertaining thereto, to students, faculty, staff members and others, in the ordinary course of business of the Lessee. It is hereby expressly agreed between the parties that no assignment or subletting of the Multi-Function Support Complex shall in any way relieve the Lessee of any of its obligations under the terms and provisions of this Operating Lease and all rentals paid under any such sublease shall constitute Pledged Lease Payments.

Lessor and Lessee hereby consent to the assignment of this Operating Lease to the Trustee pursuant to the Lease Assignment Agreement to secure repayment of the obligations of Lessor arising under the Letter of Credit Agreement.

SECTION 12. Warranties of Lessor. Lessor hereby represents and warrants to Lessee that it shall cause the Multi-Function Support Complex and all support facilities and appurtenances thereto to be constructed in substantial conformity with the Plans and Specifications described in the Ground Lease (or such amendments and modifications thereto which have been previously approved in writing by Lessee) and shall use its best efforts to cause its contractors to warrant to Lessee and Lessor the following:

(a) That the Multi-Function Support Complex shall be fit and usable for the purposes and uses intended; and

(b) That the roof and structural components, and electrical, mechanical and plumbing elements shall be fit and usable for the purposes and uses intended.

Lessor shall use its best efforts to cause its general contractor to begin correcting, within thirty (30) days following receipt of notice from Lessee, at no cost or expense to Lessee, any work which is found to be defective in workmanship or materials (pursuant to local industry standards) or not in substantial conformity with such Plans and Specifications; provided, however, that Lessee shall have given written notice of such nonconformity to Lessor within the applicable warranty period. The above-described warranties shall be in addition to, and not in derogation of, all other rights and privileges which Lessee may have either at law or in equity, which rights Lessee expressly reserves hereunder. Additionally, Lessor shall assign, transfer, and deliver to Lessee any and all warranties from manufacturers and/or suppliers of, any fixtures and equipment or components thereof, installed or incorporated in the Multi-Function Support Complex by Lessor and shall further render such assistance and cooperation as Lessee may from time to time request in connection with any warranty claims required to be filed by Lessee pursuant to any such warranties.

SECTION 13. Indemnity. The Attorney General of the State of Florida has opined that, absent specific statutory authority, a state agency is not authorized to enter into a limitation of remedies or limitation of liability agreement whereby another entity's liability to the state is limited. However, subject to the limitations set forth in Section 22 hereunder and to the extent permitted by law, the Lessee during the term hereof shall indemnify and save harmless the Lessor from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, occurring on or within the Multi-Function Support Complex and arising out of the use and occupancy of the Multi-Function Support Complex by Lessee or its sublessees, excepting, however, such claims and demands whether for injuries to person or loss of life or damage to property, caused by acts or omissions of the Lessor.

In the event Lessor shall pay or be compelled to pay any sum of money or do any act which shall require the expenditure or payment of any sum by reason of the failure of Lessee to perform any one or more of the covenants herein contained, Lessee shall repay the same promptly upon demand, and the sum or sums so paid by Lessor together with all interest, costs

and damages, shall or may be added as additional rent to the next installment of rent becoming due and shall be payable as such, but it is expressly covenanted and agreed hereby that payment by Lessor of any such sums of money or the doing of any such acts shall not be deemed to waive or release the default in the payment or doing thereof by Lessee, by reason of Lessee's default with respect to any such payment or act.

SECTION 14. Condemnation.

(a) 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 Operating Lease acquire title to the Multi-Function Support Complex or acquire title to such substantial portion thereof that Lessee cannot make use of the residue for the purposes intended by this Operating Lease, such acquisition of title shall terminate this Operating Lease, effective on the later to occur of the following: (i) the date on which the Lessor shall have paid all amounts due and payable by Lessor under the Letter of Credit Agreement and all other Related Financing Documents; or (ii) the date on which the condemning party takes possession thereof.

(b) If the condemning party acquires title to a portion of the Multi-Function Support Complex only, and Lessee can make beneficial use of the residue thereof for the purposes intended by this Operating Lease, then this Operating Lease shall continue in full force and effect.

(c) The total proceeds of any condemnation after payment of reasonable attorney's fees and other necessary expenses incurred by either party in connection therewith shall be applied as provided in the Related Financing Documents and the Indenture so long as any amount shall be due and payable by Lessor under the Letter of Credit Agreement or any other Related Financing Document.

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

SECTION 15. Alterations, Improvements and Additions.

(a) Impairment of Value. Subject to the compliance with and observance of all of the terms, conditions, covenants and agreements provided for in this Operating Lease, Lessee shall have the right, to be exercised at Lessee's option at any time during the term of this Operating Lease, to make alterations, improvements and additions in and to the Multi-Function Support Complex which such alterations, improvements and additions shall be a part of the Multi-Function Support Complex and subject to this Operating Lease; provided, however, that the completed alterations, improvements and additions shall not materially impair the value of any existing buildings or improvements comprising the Multi-Function Support Complex, that Lessee shall notify Lessor of its intention to make such alterations, improvements or additions in writing prior to the commencement of any such work, and that Lessee shall:

(1) Make, erect and complete the proposed improvements in accordance with such plans and specifications therefor, and in compliance with the building code and all laws, ordinances, rules, regulations and orders of any governmental bureau, body or office having competent authority to make the same and which may be applicable to the erection or construction of said improvement;

(2) Fully pay for said improvements at the times and in the manner as fixed by contracts therefor;

(3) Perform any and all duties which are or may be legally imposed on Lessor in connection with such construction and obtain any necessary certificate of occupancy therefor; and .

(4) Procure and maintain throughout the period of any such construction a policy or policies of worker's compensation, builders' risk and public liability insurance in such amounts as are standard in the industry or required by law.

(b) Rent Continues. During the period of such alteration and improvement, Lessee shall continue to pay the rent pursuant to Section 4 of this Operating Lease and shall prevent any lien or obligation from being created against or imposed upon the Multi-Function Support Complex. All liens or charges for services rendered or materials furnished shall be discharged or bonded promptly after receipt of notification thereof from Lessor.

(c) Significant Damage. The provisions of this Section shall not apply in the event of significant damages to or destruction of the Multi-Function Support Complex. The provisions of Section 10 shall govern and control in the event of any damage to or destruction of the Multi-Function Support Complex.

SECTION 16. Liens.

(a) Notice to Discharge. If Lessee suffers or permits any mechanics' or other lien or order for the payment of money to be filed against the Multi-Function Support Complex by reason of any change or alteration to the Multi-Function Support Complex or any addition thereto or the cost or expense thereof, or any contract relating to the same, or against Lessor as a result of or arising out of any labor or material furnished with respect to the Multi-Function Support Complex, Lessee shall; within thirty (30) days after notice to Lessee of the filing thereof, cause the same to be canceled and discharged of record and shall further defend Lessor, at Lessee's sole cost and expense, in any action, suit or proceeding which may be brought thereon, or for the enforcement of the same, and will pay any damages and satisfy and discharge any judgment entered therein and render harmless Lessor from any judgment entered therein and render harmless Lessor from any liability, claim or damage resulting therefrom. Additionally, Lessee will pay Lessor's reasonable attorneys' fees, if any, if Lessee fails to comply with the foregoing. The obligations of the Lessee hereunder are subject to limitations of Florida law. (See discussion in Section 13 hereof).

(b) Right to Contest. Lessee shall have the right to contest or review by legal process, or in such other manner as it may deem suitable (which, if instituted, Lessee shall conduct at its own expense, and free of any expense to Lessor, and, if in Lessee's opinion necessary, in the name of Lessor), any such lien filed against the Multi-Function Support Complex upon condition that, before instituting any such proceedings, if the contested items shall not have been paid, Lessee shall furnish to Lessor a surety company bond or a cash deposit sufficient to cover the amount of such contested items, with interest and penalties for the period which such proceedings may reasonably be expected to take, securing payment of such contested items, interest and penalties, and all costs in connection therewith, and upon the furnishing of such bond or cash deposit Lessee shall not be deemed to be in default in the payment of such contested items. Alternatively, Lessee shall have the right to transfer any such lien to bond with the Clerk of the Circuit Court. Notwithstanding the provisions of the foregoing sentence of the furnishing of any such bond or deposit, Lessee shall promptly pay all such items if at any time the Multi-Function Support Complex or any part thereof shall be in danger of being forfeited or lost by reason of such nonpayment, and upon such payment any such deposit or bond canceled and discharged. The legal proceedings herein referred to shall include appropriate appeals from any judgments, decrees or orders, but all such proceedings shall begin as soon as is reasonably possible after the imposition or assessment of any contested items and shall be prosecuted to final adjudication with reasonable dispatch. In the event of any reduction, cancellation or discharge of any such contested item, Lessee shall pay the amount finally levied against the Multi-Function Support Complex or adjudicated to be due and payable on any such contested items and upon such payment any such deposit or security shall be forthwith returned to Lessee and any such bond canceled and discharged, and if there shall be any refund with respect thereto, Lessee shall be entitled to the same.

SECTION 17. Inspection. Lessee shall permit Lessor or the agents of Lessor upon reasonable notice to enter upon the Multi-Function Support Complex between the hours of 9:00 a.m. and 5:00 p.m. on business days to inspect the Multi-Function Support Complex; provided, however, that Lessor shall not unreasonably interfere with Lessee's or its sublessees' use of the Multi-Function Support Complex.

SECTION 18. Quiet Enjoyment. Lessee, upon payment of the rent due hereunder and all sums herein reserved and upon the due performance of all terms, covenants and conditions and agreements herein contained on Lessee's part to be kept and performed, shall and may at all times during the term hereof peaceably and quietly enjoy the Multi-Function Support Complex. The foregoing is not in derogation of, but in addition to, Lessee's right of quiet enjoyment and peaceful possession under law.

SECTION 19. Option to Purchase. At any time after there shall no longer be any amounts due and payable by Lessor under the Letter of Credit Agreement or any other Related Financing Document or if otherwise consented to in writing by Lender in Lender's sole and absolute discretion, Lessee, shall at any time have the right to purchase the Lessor's leasehold estate as granted by the Ground Lease. Such option shall be exercised by the Lessee giving not less than sixty (60) days notice in writing to the Lessor. The purchase price shall be equal to all sums due and payable by Lessor under the Letter of Credit Agreement and the other Related Financing Documents or due and payable under the Indenture, any redemption premiums, all

sums necessary to pay the expenses of the Trustee, paying agents, and all other related costs including legal fees which are necessary to effect payment of all sums due under the Related Financing Documents and the Indenture. Upon such payment both the Ground Lease and this Operating Lease shall be terminated and Lessor shall grant to Lessee its entire leasehold estate free and clear of all liens and encumbrances created by the Related Financing Documents.

SECTION 20. **Default.** In the event that either of the parties shall fail to perform any covenant required to be performed by such party under the terms and provisions of this 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 hereunder, provided that failure of Lessee to pay, when due, any rental payment due under Subsection 4(a) hereof shall constitute an immediate default hereunder. If Lessee shall fail to make any other payment required under this Operating Lease, which failure to pay shall not be remedied within thirty (30) days from the date of written notice to Lessee specifying such failure, Lessee shall be in default hereunder.

In the event of any default by Lessee, Lessor shall be entitled to cure such default and thereafter Lessee shall reimburse Lessor for all costs and expenses incurred thereby, and Lessor shall be entitled to seek specific performance of any covenant herein, or to be compensated for all damages incurred by a breach thereof.

In the event of any default, Lessor may elect to have Lessee pay the Pledged Lease Payments, as received by Lessee, to the Lessor for application as herein provided.

In the event of any default, Lessor may elect to terminate Lessee's right to possession of the Multi-Function Support Complex if permitted by applicable law. Lessor may at Lessor's option enter into the Multi-Function Support Complex, remove Lessee's property and other evidences of tenancy, without being deemed guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Lessor's rights to rent or any other right given to Lessor hereunder or by operation or law. Except for the notice of default required above, Lessee expressly waives the service or any demand for the payment of rent or for possession and the service or any notice of Lessor's election to re-enter the Multi-Function Support Complex, including any and every form or demand and notice prescribed by any statute or other law. Notwithstanding anything in this Section 20 to the contrary, such entry and possession shall not terminate this Operating Lease or release Lessee, in whole or in part, from any of Lessee's obligations under this Operating Lease, including Lessee's obligation to pay the rent hereunder for the full term, and in any such case Lessee shall pay forthwith to Lessor a sum equal to the entire amount of the rent reserved under the provisions of Section 4 of this Operating Lease for the residue or the stated term plus any other sums then due hereunder. Upon reentry, Lessor may make repairs to the Multi-Function Support Complex, and Lessee shall, upon demand, pay the cost thereof.

Lessee shall pay upon demand all Lessor's costs, charges and expenses, including the fees of counsel, agents and others retained by Lessor, incurred in enforcing Lessee's obligations hereunder or incurred by Lessor in any litigation, negotiation or transaction in which Lessee causes Lessor, without Lessor's fault, to become involved or concerned.

Nothing in this Section 20 shall require the Board or the University to pay any sums except from the Pledged Lease Payments.

SECTION 21. **Pledge of Pledged Lease Payments.** To secure prompt and full payment of the rental payments payable under Section 4 of this Operating Lease and the other covenants and agreements of Lessee contained herein, Lessee hereby pledges and grants Lessor a first lien on and security interest in the Pledged Lease Payments. This Operating Lease shall be accompanied by the delivery of a duly executed financing statement evidencing the security interest of the Lessor in form required by the Florida Uniform Commercial Code with copies sufficient in number for filing with the office of the Secretary of State in Tallahassee, Florida and, where necessary or appropriate, in the office of Clerk of the Circuit Court in and for Miami-Dade County. The pledge, assignment and agreement to pay shall not inhibit, and this Operating Lease allows, the sale or other transfer of such revenues, securities, investments, insurance policies, other rights and benefits, and all the proceeds of the foregoing for Lessee expenditures as authorized by or through the Board of Regents provided the Lessee is in compliance with the terms of this Operating Lease. The Lessee shall also execute and deliver to the Lessor from time to time such amendments or supplements to this Operating Lease as may be necessary or appropriate to include as security hereunder any rights or assets of the nature described in this Section. There shall be excluded from the pledge and from the security interest mentioned above the proceeds of any borrowing, except for the proceeds of the bonds issued and outstanding from time to time under the Indenture.

Lessee shall create and maintain throughout the term hereof, an account designated as the "Multi-Function Support Complex Rental Payment Fund" into which all Pledged Lease Payments shall be deposited.

SECTION 22. **No Liability, Pledge of Revenues.** The Lessee's obligation to make payments under this Operating Lease does not constitute a debt, liability or obligation of the Lessee or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision, or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof. Neither the Lessee nor the State shall be obligated or required to levy any ad valorem taxes on any property to pay any amount due and payable under the Letter of Credit Agreement or any other Related Financing Document or to make payments under this Operating Lease except for the Pledged Lease Payments, in the manner and on the conditions contained herein. Neither the Letter of Credit Agreement, any other Related Financing Document nor this Operating Lease shall constitute a lien upon property owned by or situated within the territorial limits of the State of Florida, except for the Pledged Lease Payments and except as provided in the Lease Assignment Agreement. The obligation of the Lessee to make payments hereunder shall be limited to the Pledged Lease Payments

SECTION 23. **Parity Debt.** Except for as provided in the Letter of Credit Agreement, Lessee will not 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 this Operating Lease and the interest thereon upon the Pledged Lease Payments, provided that

other obligations may be incurred by Lessee in addition to rent obligation hereof payable from such revenues, provided such obligations shall contain an express statement that such obligations are junior and subordinate in all respects to the pledge of Pledged Lease Payments to secure the rental payments under this Operating Lease, as to lien on and source and security for payment from such revenues.

SECTION 24. Application of Rental Payments. Lessee shall maintain, for the purposes stated herein, the Multi-Function Support Complex Rental Payment Fund.

The Multi-Function Support Complex Rental Payment Fund and any other special funds or accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds.

The designation and establishment of the various accounts in and by this Operating Lease shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

The cash required to be accounted for in the Multi-Function Support Complex Rental Payment Fund and accounts established herein may be deposited in a single bank account, and funds allocated to the various accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

Moneys on deposit in the Multi-Function Support Complex Rental Payment Fund may be invested and reinvested in the manner provided by law provided such investments either mature or are redeemable at not less than par at the option of Lessor not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund.

The Lessee shall deposit to the Multi-Function Support Complex Rental Payment Fund those amounts which are estimated as being required to pay all amounts due and payable by Lessor under the Letter of Credit Agreement and the other Related Financing Documents for the current Fiscal Year.

All such payments, as provided above, shall additionally include an amount sufficient to pay all fees and charges incurred during each Fiscal Year in connection with the Letter of Credit Agreement, the other Related Financing Documents, the security therefor and the continued payment thereof, all as provided in the Related Financing Documents. Such payments shall be increased or reduced proportionately to the extent required to pay such interest becoming due, after making allowance for the amounts of money which will be deposited in the Multi-Function Support Complex Rental Payment Fund out of proceeds from the sale of the bonds issued from time to time under the Indenture to pay interest thereon.

To secure prompt and full payment of the rental payments, Lessee hereby pledges and grants Lessor a security interest in the Multi-Function Support Complex Rental Payment Fund less Cost of Operation and Maintenance.

SECTION 25. Rate Covenant. Lessee hereby agrees to charge each year such rates and fees for use of the Multi-Function Support Complex as are necessary to produce Pledged Lease Payments sufficient to pay one hundred percent (100%) of the Costs of Operation and Maintenance plus one hundred ten percent (110%) of all amounts due and payable by Lessor or expected to be due and payable by Lessor under the Letter of Credit Agreement and the other Related Financing Documents during such year. Lessee will not, and will not allow the Florida International University to, construct or operate an additional building or facility in competition with the Multi-Function Support Complex which would have any materially adverse impact on Gross Revenues.

SECTION 26. Annual Budget. The Lessee shall annually prepare and adopt at least fifteen (15) days prior to the beginning of each Fiscal Year, a detailed budget of the estimated expenditures for operation and maintenance of the Multi-Function Support Complex during such next succeeding Fiscal Year. No expenditure for the operation and maintenance of the Multi-Function Support Complex shall be made in any Fiscal Year in excess of the amount provided therefor in such budget without a finding of the Lessee, which finding shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the Multi-Function Support Complex.

SECTION 27. Modification and Termination. Notwithstanding anything in this Operating Lease to the contrary, without the prior written consent of the Lender (which consent shall not be unreasonably withheld, unless such amendment, change, modification, alteration or termination, in the judgment of the Lender, will or is likely to reduce amounts payable by the Lessee under Section 4(a) of this Operating Lease, to have an adverse effect on the capacity of the Lessee to pay amounts due under Section 4(a) of this Operating Lease, or to shorten the term of this Operating Lease, in which case the right of the Lender to withhold consent shall be absolute and unfettered), this Operating Lease shall not be amended, changed, modified, altered or terminated in any manner prior to payment in full of all amounts due and payable by Lessor under the Letter of Credit Agreement and the other Related Financing Documents. None of the covenants, terms, agreements or conditions of this Operating Lease shall in any manner be altered, waived, changed or abandoned, nor shall the term hereof or any part thereof be surrendered except by a written instrument, signed, sealed, acknowledged and delivered by the parties hereto.

SECTION 28. Invalidity of Particular Provision. If any term or provision of this Operating Lease or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, with the exception of Sections 4 and 22 hereof, the remainder of this Operating Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Operating Lease shall be valid and be enforced to the fullest extent permitted by law.

SECTION 29. **Waivers.** Any party to this Operating Lease may, by written notice to the other parties hereto, waive any provision of this Operating Lease. The waiver by any party hereto of a breach of any provision of this Operating Lease shall not operate or be construed as a waiver or any subsequent breach.

SECTION 30. **Miscellaneous.**

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

(b) Excusable Delays. Except as otherwise expressly provided herein, neither party shall be responsible for any delay in their performances called for under this Operating Lease which is caused by acts of God, war, national emergency, strikes, shortages of material, or governmental regulations or control, provided, however, nothing in this Subsection (b) shall excuse Lessee from the prompt payment of any rental or other charge required of Lessee, except as may be expressly provided elsewhere in this Operating Lease.

(c) Time. Time is of the essence in every particular of this Operating Lease including, but not limited to, obligations for the payment of money.

(d) Notices. In every instance where it shall be necessary or desirable for Lessor or Lessee to serve any notice or demand upon the other party hereto, it shall be sufficient (a) to deliver or cause to be delivered by hand a written or printed copy thereof, or (b) to send a written or printed copy thereof by United States registered mail, postage prepaid, addressed to such party at the address noted below, in which event the notice of demand shall be deemed for all purposes to have been served seventy-two (72) hours after the time the copy is mailed:

As to Lessor:

Treasurer
Florida International University Foundation, Inc.
PC 225
Miami, Florida 33133

As to Lessee:

Chancellor
State University System of Florida
325 West Gaines Street
Tallahassee, Florida 32399-1950

Office of the Senior Vice President for Business and Finance
Florida International University
PC 528
Miami, Florida 33133

A copy of all notices shall be furnished to Lender at the address set forth in the Letter of Credit Agreement.

(e) Entire Agreement. It is mutually acknowledged and agreed by the parties hereto that with the exception of the Ground Lease, this Operating Lease and the Related Financing Documents, the entire agreement between Lessor and Lessee with respect to the subject matter of this Operating Lease; that there are no verbal agreements, representations, warranties or other understanding affecting the same; that as a material part of the consideration hereof, each party hereby waives all claims against the other for rescission, damages or any other form of agreement or understanding not contained in this Operating Lease; and that any purported 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.

(f) Memorandum of Operating Lease. Upon the execution of this Operating Lease, the parties shall execute a Memorandum of Operating Lease for recording in a form suitable to Lessor and Lessee. A copy of the Memorandum shall be furnished to the Chancellor of the Board of Regents.

(g) Headings. The headings contained in this Operating Lease are for reference purposes only and shall not affect in any way the meaning of interpretation of this Operating Lease.

(h) Master Lease. This Operating Lease is subject to all terms and conditions of Lease Agreement No. 2727 between Lessee and the State of Florida Board of Trustees of the Internal Improvement Trust Fund dated January 22, 1974, as amended February 24, 1984, June 2, 1986 and November 7, 1989 (the "Master Lease"), and in the event of conflict or inconsistency between the terms and conditions contained in this Operating Lease and in the Master Lease, the terms and conditions of the Master Lease shall control. Lessee shall not use or permit the Land to be used in violation of any of the terms and conditions contained in the Master Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Operating Lease to be executed, in duplicate, either of which may be considered an original, the day and year first above written.

LESSOR:

FLORIDA INTERNATIONAL
UNIVERSITY FOUNDATION, INC.

Attest:

By:

Paul D. Gallagher
Executive Director

By:

Marisel P. Lieberman
Assistant Secretary

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 23 day of December, 1999, by Paul D. Gallagher and Marisel P. Lieberman as Exec. Director and, Asst. Secretary respectively, of the Florida International University Foundation, Inc. They are personally known to me or who have produced their drivers license as identification and who did take an oath.

NOTARY PUBLIC

Print Name Maria D. Martinez
State of Florida at Large
My Commission Expires: _____

(SEAL)



Maria D. Martinez
MY COMMISSION # CC675015 EXPIRES
August 26, 2001
BONDED THRU TROY FAIN INSURANCE, INC.

LESSEE:

THE BOARD OF REGENTS OF THE
STATE UNIVERSITY SYSTEM, STATE
OF FLORIDA for and on behalf of
FLORIDA INTERNATIONAL
UNIVERSITY

By: C. W. Blackwell
Its: Vice Chancellor

Attest:

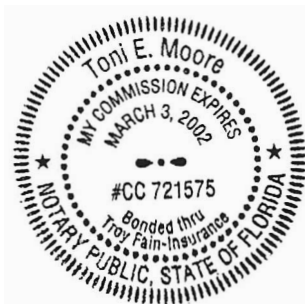
By: Maryanne Bestebeurtje
Secretary

STATE OF FLORIDA

COUNTY OF LEON

The foregoing instrument was acknowledged before me this 11th day of January,
2000, by Carl W. Blackwell and Maryanne Bestebeurtje, as Vice Chancellor and
Secretary, respectively, of the Board of Regents of the State University System. They are
personally known to me or who have produced their drivers license as identification and who did
take an oath.

(SEAL)



NOTARY PUBLIC

Toni E. Moore
Print Name Toni E. Moore
State of Florida at Large
My Commission Expires: 3/3/02

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT "A"

SKETCH AND LEGAL DESCRIPTION

LEGAL DESCRIPTION:

A portion of the E 1 /2 of Section 7, Township 54 South, Range 40 East, Miami-Dade County, Florida, being more particularly described as follows:

Commence at the East 1 /4 corner of said Section 7; thence South 02 degrees 17 minutes 25 seconds East along the East line of said Section 7 for 410.06 feet; thence South 89 degrees 00 minutes 51 seconds West for 1801.91 feet to a reference Point A-20 with a Coordinate Value of N516436.7734 and E 862354.3032 and Latitude 25°45'11.0818"N and Longitude 80°22'24.7888"W (per Vialink Inc. Project No. 9509A FIU-UPC). Thence North 00 degrees 00 minutes 00 seconds West for 300.99 feet; thence North 90 degrees 00 minutes 00 seconds East for 61.25 feet to a Point of Beginning of the hereafter described parcel of land; thence North 18 degrees 54 minutes 48 seconds West for 176.52 feet; thence North 00 degrees 00 minutes 00 seconds West for 154.28 feet; thence South 90 degrees 00 minutes 00 seconds East for 214.33 feet; thence South 00 degrees 00 minutes 00 seconds East for 321.26 feet; thence South 90 degrees 00 minutes 00 seconds West for 157.11 feet to the Point of Beginning.

Containing 64,079 Square Feet or 1.47 acres more or less.

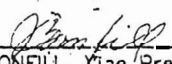
SURVEYOR'S NOTES:

- This is not a Boundary Survey but only a Graphic Depiction of the Description shown hereon.
- North Arrow and Bearings shown hereon are based on an assumed value of S 02°17'25" E along the East line of Section 7-54-40, of Miami-Dade County, Florida.
- Not valid without the signature and the original raised seal of a Florida Licensed Surveyor and Mapper, additions or deletions to survey maps or reports by other than the signing party or parties is prohibit without written consent of the signing party or parties.

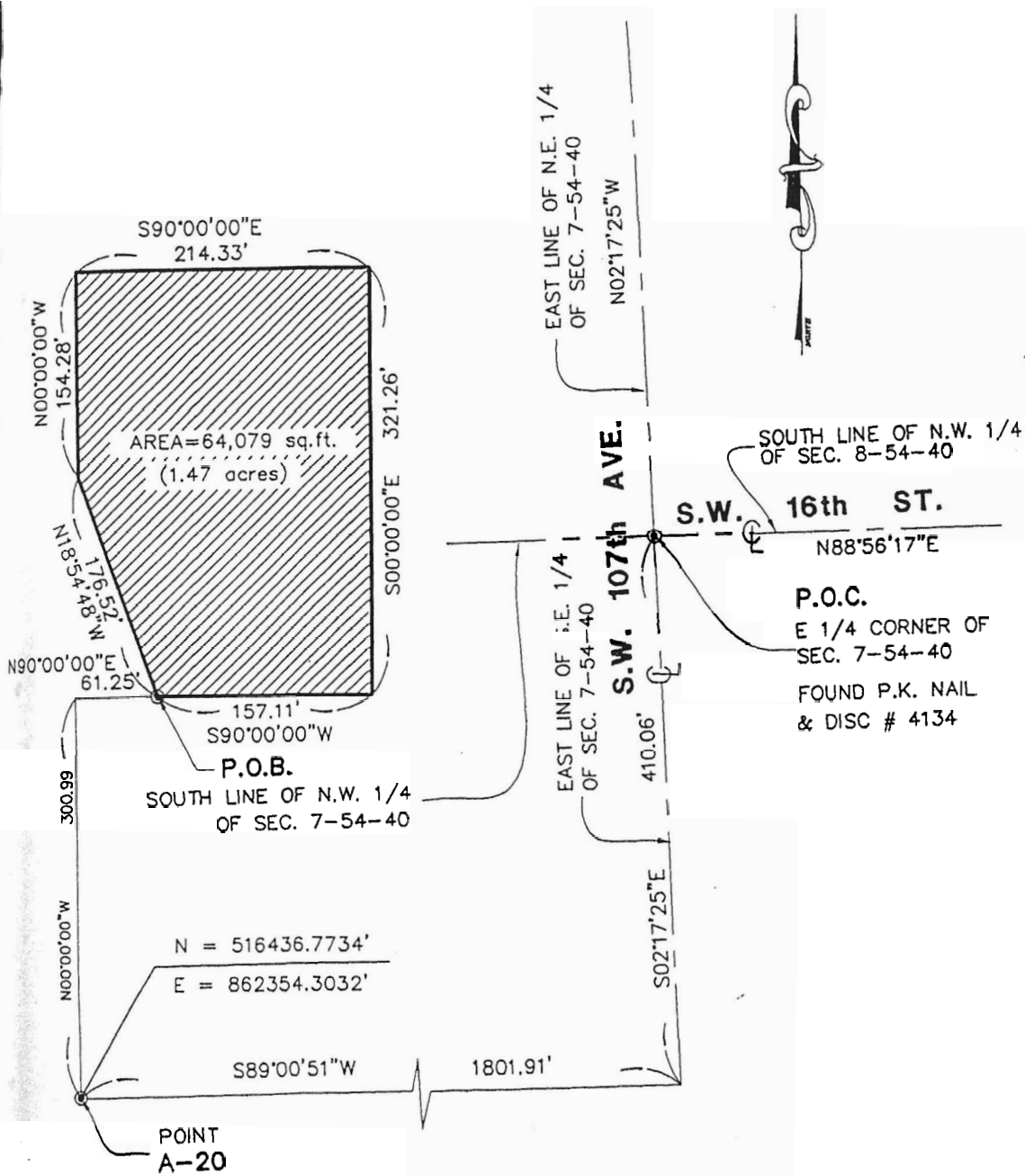
SURVEYOR'S CERTIFICATE:

The undersigned, a Professional Surveyor and Mapper authorized to practice under the laws of the State of Florida, hereby certify that: the sketch as shown hereon represents a Sketch and Legal Description made under my direct supervision in compliance with the Minimum Technical Standards for Land Surveys in the State of Florida, pursuant to Chapter 61G17-6 Florida Administrative Code.

J. BONFILL & ASSOCIATES, INC.


JUAN J. BONFILL, Vice President.
Professional Surveyor and Mapper # 3179
State of Florida.

Date: October 25, 1999
Job No. 99-1043
99-1043skleg.doc



GRAPHIC SCALE
 SCALE : 1" = 100'