



Item: SP: A-3

STRATEGIC PLANNING COMMITTEE
Wednesday, June 17, 2009

SUBJECT: ADDENDUM TO HARBOR BRANCH MEMORANDUM OF UNDERSTANDING

PROPOSED COMMITTEE ACTION

Recommend approval by the Board of Trustees of: (i) an Addendum to the Memorandum of Understanding ("MOU") with Harbor Branch Oceanographic Institution Foundation, Inc. ("HBOIF"), and (ii) a long-term lease with the State of Florida, and otherwise authorizing the President to take such further actions and to execute such documents as are necessary and appropriate to achieve the purposes of the MOU Addendum.

BACKGROUND INFORMATION

On December 21, 2007, HBOIF and FAU entered into a MOU which provided, among other things, that HBOIF would convey to FAU approximately 138 acres of real property located in St. Lucie County and the operating assets of HBOIF, other than its endowment. In addition, HBOIF would become a Direct Support Organization of FAU. The agreements made between HBOIF and FAU in the MOU comprised one part of a broader program, with the remaining parts being that HBOIF would transfer certain development rights to St. Lucie County for consideration, and would sell a portion of the remaining lands which it owned to the State of Florida, for additional consideration. The consideration paid to HBOIF would be used to further fund the HBOIF endowment for the benefit of the HBOI at FAU Research Institute, and to reimburse HBOIF for certain expenses incurred in connection with the conveyance of land to FAU.

Due to factors beyond HBOIF's control, the three parts of the overall program could not be consummated simultaneously. St. Lucie County was tied up with litigation and the legislative appropriation process and subsequent appraisal of HBOIF lands to be purchased by the State took longer than expected. HBOIF saw no reason not to go forward with the actions agreed to in the MOU and consummated the transfer of its real property and operating assets to FAU effective January 1, 2008.

The land proposed to be sold to the State encompassed lands north and west of the FAU Harbor Branch campus and was to be purchased through a grant to St. Lucie County by the Florida Communities Trust. It was anticipated, based upon prior appraisals, that the proceeds of the sale of that property would be adequate to fulfill the economic anticipations of HBOIF from the sale of its lands. Unfortunately, after HBOIF transferred a portion of its real property to FAU,

the appraisers would not view the sale of lands as part of the overall plan and instead appraised the HBOIF lands in isolation, giving them an unreasonably low value per acre. This reduction in the appraised value of the retained HBOIF parcels was a significant and unanticipated deviation from the original intent of the contemplated three-part HBOIF transaction. As such, in order to accomplish the original intent of the overall program, HBOIF and FAU, in conjunction with the State of Florida, Florida Communities Trust, and St. Lucie County are seeking to restructure the transaction. In so doing, FAU will transfer the real property back to HBOIF and the State of Florida will then purchase not only the retained HBOIF lands, but also the lands conveyed by HBOIF to FAU. Restructuring the transaction allows all of the lands to be re-appraised as a whole, with such appraisal reflecting the fair market value of the land.

The lands have been subsequently appraised as a whole and an offer has been given to HBOIF from the State of Florida to purchase all such lands for \$24.3 million. In order to consummate the transaction, the FAU property and the HBOIF property will be deeded to the State of Florida who, in turn, will lease the FAU property back to FAU on a long-term 50 year lease, and lease the HBOIF property to St. Lucie County on a long-term 50 year lease. The consideration, as intended, will flow to HBOIF in order for it to restore its endowment for the benefit of the HBOI at FAU Research Institute, and to be held, managed, and distributed by HBOIF as a Direct Support Organization of FAU.

As additional consideration for FAU's cooperation in the transaction, HBOIF has agreed to transfer to FAU in fee simple an additional six (6) acre parcel of land just west of the aquaculture park. Other than the change in ownership to the real property assets, the Harbor Branch Oceanographic Institute will remain intact as an FAU research institute and operations by FAU will continue without impact.

IMPLEMENTATION PLAN/DATE

The anticipated closing date for the restructured transaction is June 30, 2009.

FISCAL IMPLICATIONS

All closing costs incurred by FAU in relation to the restructuring the transaction shall be borne or reimbursed by HBOIF. The HBOIF-FAU real property assets shall now be recognized in FAU's accounting records as a capital lease.

Supporting Documentation: Addendum to Memorandum of Understanding
Survey Map
Lease with the State of Florida

Presented by: Elizabeth F. Rubin, Associate General Counsel

Phone: 561-297-3007

ADDENDUM TO
MEMORANDUM OF UNDERSTANDING

This Addendum to Memorandum of Understanding made and entered into as of this ____ day of _____, 2009 (“Effective Date”), by and between HARBOR BRANCH OCEANOGRAPHIC INSTITUTION FOUNDATION, INC. (formerly known as Harbor Branch Oceanographic Institution, Inc.), a non-profit corporation organized and existing under the laws of the State of Florida, with a principal place of business at 5600 U.S. 1 North, Ft. Pierce, Florida 34946 (“HBOIF”), and the FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, with a principal place of business at 777 Glades Road, Boca Raton, Florida 33431 (“FAU”).

WHEREAS, effective December 21, 2007, HBOIF and FAU entered into a Memorandum of Understanding (“MOU”) which provided, among other things, that HBOIF would convey to FAU approximately 138 acres of real property located in St. Lucie County, Florida, and the Operating Assets of HBOIF, other than its endowment. In addition, all HBOIF personnel would be offered employment by FAU, and HBOIF would become a Direct Support Organization of FAU; and

WHEREAS, the agreements made between HBOIF and FAU in the MOU comprised one part of a broader program, with the remaining parts being that HBOIF would transfer certain development rights to St. Lucie County for consideration, and would sell a portion of the remaining lands which it owned to the State of Florida, for additional consideration. The consideration paid to HBOIF would be used to further fund the HBOIF endowment for the benefit of the HBOI at FAU Research Institute, and to reimburse HBOIF for repayment of debt required to be repaid prior to the conveyance of land to FAU and repayment of other debt by HBOIF; and

WHEREAS, due to factors beyond HBOIF’s control, the three parts of the overall program could not be consummated simultaneously. St. Lucie County was tied up with litigation over its Towns, Communities and Villages Ordinance, which was an integral part of being able to facilitate the transfer of development rights and payment therefore, and the legislative appropriation process and subsequent appraisal of HBOIF lands to be purchased by the State took longer than expected. HBOIF saw no reason not to go forward with the actions agreed to in its MOU with FAU, and it did so for the benefit of both parties, effective January 1, 2008; and

WHEREAS, the land proposed to be sold to the State encompassed lands north and west of the FAU Harbor Branch campus and was to be purchased through a grant to St. Lucie County by the Florida Communities Trust. It was anticipated, based upon appraisal, that the proceeds of the sale of that property would be adequate to fulfill the economic anticipations of HBOIF from the sale of its lands. Unfortunately, the DCT appraisers would not view the sale of lands as part of the overall plan which included the transaction with FAU, and instead appraised the HBOIF lands in isolation, giving them an unreasonably low value per acre. In fact, the values were so low that they would not even permit HBOIF to recover the debt it had repaid. As a result, HBOIF sought another course to accomplish the intent of the original plan; and

WHEREAS, due to the State's appraisal rules, it appeared that the only solution for this frustration of the intent of all parties involved was to restructure the transaction so that it would be one simultaneous transaction. The proposal was that the Trustees of the Internal Improvement Fund of the State of Florida ("TIIF") would purchase not only the HBOIF lands, but also the lands conveyed by HBOIF to FAU. All of the lands would then be re-appraised as a whole, with such appraisal reflecting the fair market value of the land; and

WHEREAS, the lands have been subsequently appraised and an informal offer has been given to purchase all such lands for \$25 million. In order to consummate the transaction, the FAU property and the HBOIF property will be deeded to TIIF, who, in turn, will lease the FAU property back to FAU on a long-term lease for use and management, and lease the HBOIF property to St. Lucie County on a long-term lease for use and management. The consideration, as intended, will flow to HBOIF in order for it to restore its endowment for the benefit of the HBOI at FAU Research Institute, and to be held, managed, and distributed by HBOIF as a Direct Support Organization of FAU in accordance with State of Florida statutes, rules and regulations governing Direct Support Organizations of State Universities, and the original MOU between the parties; and

WHEREAS, FAU and HBOIF are willing to go forward on the bases set forth in the foregoing Whereas clauses in order to fulfill the original plan and understanding which led to the conveyance of HBOIF property to FAU, and the transition of HBOIF to a Direct Support Organization for FAU, effective January 1, 2008.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the parties hereby agree as follows:

1. Conveyance of Real Property by FAU: Subject to negotiation of a satisfactory Contract for Sale between HBOIF and TIIF and a satisfactory long-term lease between FAU and TIIF, FAU will convey via special warranty deed the real property and all buildings, appurtenances and fixtures conveyed to it by HBOIF (collectively, the "FAU Real Property") back to HBOIF. HBOIF will then immediately convey the FAU Real Property to TIIF, who will immediately lease the FAU Real Property back to FAU. It is understood that FAU's obligation hereunder is contingent upon (a) fulfillment by HBOIF of its obligations under paragraph 2 hereof and (b) fulfillment by TIIF of its obligations referenced in paragraphs 1 and 2 hereof.

2. Conveyance of Real Property by HBOIF: Subject to negotiation of satisfactory Contracts for Sale between (i) HBOIF and TIIF and (ii) HBOIF and St. Lucie County/Florida Communities Trust, HBOIF will convey the real property described in Exhibit "A" attached hereto and the FAU Real Property, to the Trustees of the Internal Improvement Fund of the State of Florida. In addition, for \$10.00 and other good and valuable consideration, HBOIF shall convey via special warranty deed the real property described in Exhibit "B" attached hereto and all buildings, appurtenances and fixtures located thereon as of the Effective Date to FAU. It is understood that HBOIF's obligations hereunder are contingent upon (a) fulfillment by FAU of its obligation under paragraph 1 hereof, and (b) fulfillment by TIIF of its obligations referenced in paragraphs 1 and 2 hereof.

3. Disposition of Proceeds: The proceeds derived from the sales described in paragraphs 1 and 2 above will be deposited to HBOIF accounts, to be held, managed and distributed according to the MOU and the statutes, rules and regulations of the State of Florida governing Direct Support Organizations of State Universities.

4. Expenses: All costs, fees and expenses of the transactions described above incurred by FAU, shall be borne or reimbursed within thirty (30) days by HBOIF.

5. Closing: It is understood and agreed that it is the intention of the State of Florida that the closings shall occur or before June 30, 2009. Either party may terminate the provisions of this Addendum if the closings contemplated herein have not occurred on or before September 30, 2009.

6. Modification of MOU: Except as expressly modified hereby and except to the extent FAU is limited by the terms and conditions of its lease with TIIF, the terms, conditions and agreements set forth in the MOU shall remain in full force and effect to include, but not limited to, the indemnification set forth in paragraph 7 thereof, and all such provisions are incorporated herein by reference.

IN WITNESS WHEREOF, HBOIF and FAU have caused this agreement to be executed by their proper officers, duly authorized as of the day and year first above written.

HARBOR BRANCH OCEANOGRAPHIC
INSTITUTION FOUNDATION, INC.

FLORIDA ATLANTIC UNIVERSITY
BOARD OF TRUSTEES

By: _____
Name: James L. Seitz
Title: Chairman
Date: _____

By: _____
Name: Frank T. Brogan
Title: President
Date: _____

EXHIBIT "A"

PARCEL A

(DESCRIPTION PREPARED BY Surveyors)

A parcel OF LAND IN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4, LYING WEST OF U.S. HIGHWAY NO. 1 (200 FOOT WIDE RIGHT OF WAY) IN SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND IN TRACT 8 OF PLAT OF L.W. HALBE LAND, RECORDED IN PLAT BOOK 9, PAGE 18, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4, (WEST 1/4 CORNER SECTION 8); thence RUN N89°57'08"E ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8 A DISTANCE OF 368.25 FEET TO THE POINT OF BEGINNING:

THENCE S24°36'34"E A DISTANCE OF 401.45 FEET; THENCE N89°54'55"E A DISTANCE OF 300.00 FEET MORE OR LESS TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 1, AS THE SAME NOW EXISTS; THENCE RUN S24°37'16"E ALONG SAID WESTERLY RIGHT OF WAY LINE A DISTANCE OF 545.48 FEET TO THE SOUTHEAST CORNER OF SAID TRACT 8; THENCE LEAVING SAID RIGHT OF WAY LINE RUN S89°57'08"W ALONG THE SOUTH LINE OF SAID TRACT 8 A DISTANCE OF 504.96 FEET TO THE SOUTHWEST CORNER OF SAID TRACT 8; THENCE RUN N20°23'32"W ALONG THE WEST LINE OF SAID TRACT 8 A DISTANCE OF 400.17 FEET; THENCE LEAVING SAID WEST LINE OF TRACT 8, RUN N88°20'35"E A DISTANCE OF 19.14 FEET; THENCE RUN N27°57'16"E A DISTANCE OF 549.14 FEET; THENCE RUN N89°57'08"E ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8 A DISTANCE OF 188.25 FEET TO THE POINT OF BEGINNING.

AND

PARCEL B - EAST OF RAILROAD

THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE SOUTH 1/2 OF GOVERNMENT LOT 3, IN SECTION 5, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA.

AND

Indian River Lagoon Blueways
Harbor Branch/FCT
Parcels A, B, C, D, Lakela Mint A & B, E,
East portion of F, P & East portion of Q.
Contract description, may be revised.
Last revised: 5.8.09
St. Lucie County

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SSM
By *RB* Date 5.8.09

EXHIBIT "A"

THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4, LYING EAST OF THE FLORIDA EAST COAST RAILWAY RIGHT OF WAY IN SECTION 5, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA.

AND

THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND ALL OF GOVERNMENT LOT 1 AND THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 ALL IN SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA.

AND

THAT PART OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4; AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4, LYING EAST OF THE FLORIDA EAST COAST RAILWAY AND THE WEST 20 ACRES OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4, ALL IN SECTION 8, TOWNSHIP 34 SOUTH; RANGE 40 EAST; ST. LUCIE COUNTY, FLORIDA.

LESS AND EXCEPT:

Old Citrus Grove

A PORTION OF LAND IN SECTION 5 AND SECTION 8, LYING EAST OF THE FLORIDA EAST COAST RAILROAD RIGHT OF WAY, IN TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 8, RUN S89°55'41"E ALONG THE NORTH LINE OF SAID SECTION 8, SAID LINE ALSO BEING THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 1082.27 FEET MORE OR LESS TO THE EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILROAD 100 FOOT RIGHT OF WAY FOR THE POINT OF BEGINNING:

THENCE RUN N00°10'34"E A DISTANCE OF 153.20 FEET; THENCE RUN S89°55'41"E A DISTANCE OF 233.69 FEET; THENCE RUN S00°00'00"E A DISTANCE OF 153.20 FEET TO A POINT ON THE SAID NORTH LINE OF SECTION 8; THENCE RUN S89°55'41"E A DISTANCE OF 1226.56 FEET; THENCE RUN S12°23'45"E A DISTANCE OF 308.60 FEET; THENCE RUN S27°40'00"E, 157.93 FEET; THENCE RUN S15°09'00"E, 294.04 FEET; THENCE RUN S00°14'50"E A DISTANCE OF 548.89 FEET; THENCE RUN N90°00'00"W A DISTANCE OF 1164.94 FEET TO A POINT ON THE SAID EASTERLY RIGHT OF

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Contract description, may be revised.
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EXHIBIT "A"

WAY OF THE FLORIDA EAST COAST RAILROAD; THENCE RUN N22°44'45"W A DISTANCE OF 733.79 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO NORTHEAST, THE RADIUS POINT TO WHICH BEARS N67°15'15"E A DISTANCE OF 11,409.19 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 11,409.19 FEET, THROUGH A CENTRAL ANGLE OF 03°12'34", AN ARC DISTANCE OF 639.09 FEET TO THE POINT OF TANGENCY; THENCE RUN N19°32'11"W A DISTANCE OF 1.16 FEET TO THE POINT OF BEGINNING.

AND LESS AND EXCEPT:

Parcel L

A parcel of land lying in the Northwest ¼ and the Northeast ¼ of Section 8 and the Northwest ¼ of Section 9; Township 34 South; Range 40 East; St. Lucie County, Florida being described as follows:

Commencing at the Southeast corner of said Section 8, run N00°16'34"E along the East line of said Section 8, a distance of 50.00 feet to a point on the North Right of Way Line of Wilcox Road, thence run S89°48'22"W along the said North Right of Way of Wilcox Road, a distance of 2,049.71 feet more or less to a point on the Easterly Right of Way line of the Florida East Coast Railway, 100 foot right of way, thence run N20°42'10"W along the said Easterly Right of Way line of the Florida East Coast Railway, a distance of 1,316.65 feet to a Point of Curvature of a curve concave to the Southwest, the radius point to which bears S69°17'50"W, a distance of 11,509.19 feet, thence continue Northwesterly along the said Easterly Right of Way line on the arc of said curve having a radius of 11,509.19 feet, through a central angle of 02°02'35", an arc distance of 410.40 feet to the Point of Tangency, thence run N22°44'45"W along the said Easterly Right of Way line of the Florida East Coast Railway, a distance of 1,064.38 feet to the South line of the Northwest ¼ of said Section 8 and the Point of Beginning of the herein described parcel of land:

Thence continue N22°44'45"W along said Easterly Right of Way Line, a distance of 378.99 feet; thence leaving said Easterly Right of Way line run N89°57'11"E, a distance of 1,997.86 feet; thence run S00°00'51"W, a distance of 73.77 feet; thence run N89°57'11"E, a distance of 163.87 feet; thence run S00°00'51"W, a distance of 85.04 feet; thence run N89°57'11"E, a distance of 998.86 feet more or less to the mean high water line on the Westerly shore of the Indian River, thence run S46°00'05"E along said mean high water line a distance of 107.92, thence run S48°30'17"E a distance of 97.48 feet, thence run S53°05'21"E along said mean high water line a distance of 85.06 feet, to a point on the South line of the Northwest ¼ of

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said Section 9; thence leaving said mean high water line run S89°57'11"W along the South line of the Northwest ¼ of Section 9, a distance of 141.59 feet to the Southeast corner of the Northeast ¼ of Section 8; thence S89°57'11"W along the South line of the Northeast ¼ of Section 8, a distance of 2639.14 feet to the Southwest Corner of the Northeast ¼ of said Section 8; thence run S89°57'08"W along the South line of the Northwest ¼ of said Section 8, a distance of 451.94 feet more or less to the Point of Beginning.

AND

PARCEL B - WEST OF RAILROAD:

THAT PART OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA, LYING WEST OF THE FLORIDA EAST COAST RAILROAD RIGHT OF WAY AND EAST OF THE Easterly right of way OF OLD DIXIE HIGHWAY (S.R. 605) as maintained by St. Lucie County.

LESS AND EXCEPT

Commence at the Southeast Corner of the Northwest ¼ of said Section 8; THENCE S89°57'08"W ALONG THE SOUTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 8 A DISTANCE 688.53 FEET TO THE POINT OF BEGINNING:

Thence N27°48'30"W a distance of 55.78 FEET; THENCE RUN N27°03'49"W a distance of 100.00 FEET; THENCE RUN N26°29'26"W a distance of 15.00 FEET; THENCE RUN N63°30'34"E a distance of 26.30 FEET; THENCE RUN S27°03'49"E a distance of 26.97 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 85.00 FEET, THROUGH A CENTRAL ANGLE OF 31°26'35", A DISTANCE OF 46.65 FEET TO THE POINT OF TANGENCY; THENCE RUN S58°30'24"E a distance of 28.63 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 115.00 FEET, THROUGH A CENTRAL ANGLE OF 16°34'32", A DISTANCE OF 33.27 FEET TO THE POINT OF TANGENCY; THENCE RUN S 41°55'52"E a distance of 73.23 FEET; THENCE RUN N89°57'08"E a distance of 34.19 FEET; THENCE RUN S22°44'45"E a distance of 16.26 FEET; THENCE RUN S89°57'08"W a distance of 128.19 FEET TO THE POINT OF BEGINNING.

AND

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EXHIBIT "A"**Parcels Lakela Mint A & B and Parcel C**

A PARCEL OF LAND LYING AND BEING IN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SAID SECTION 8; THENCE RUN NORTH 89°57'08" EAST, ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4, A DISTANCE OF 888.17 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF U.S HIGHWAY NO. 1; THENCE SOUTH 24°37'16" EAST, ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID U. S HIGHWAY NO. 1, A DISTANCE OF 580.29 FEET TO THE POINT OF BEGINNING:

THENCE NORTHEASTERLY ALONG THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 150.00 FEET, THROUGH A CENTRAL ANGLE OF 50°10'06" FOR A DISTANCE OF 131.34 FEET (SAID ARC SUBTENDED BY A CHORD N33°32'02"E A DISTANCE OF 127.18 FEET), TO A POINT OF TANGENCY; THENCE N08°28'56"E A DISTANCE OF 202.32 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 565.39 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°18'17" FOR A DISTANCE OF 121.42 FEET (SAID ARC SUBTENDED BY A CHORD N82°19'51"E A DISTANCE OF 121.19 FEET) TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE S45°34'33"E A DISTANCE OF 219.32 FEET; THENCE N43°19'08"E A DISTANCE OF 242.02 FEET; THENCE EAST A DISTANCE OF 339.88 FEET MORE OR LESS TO A POINT ON WEST RIGHT OF WAY LINE OF OLD DIXIE HIGHWAY, (S.R. 605), PER THE STATE ROAD DEPARTMENT MAINTENANCE MAP, SECTION 94040-2503, AS RECORDED IN PLAT BOOK 19, PAGE 22, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA; THENCE S27°03'49"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF OLD DIXIE HIGHWAY (S.R 605) A DISTANCE OF 124.12 FEET; THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE OF OLD DIXIE HIGHWAY, RUN S67°01'29"W A DISTANCE OF 240.46 FEET; THENCE S00°00'00"E A DISTANCE OF 103.65 FEET; THENCE N89°57'08"E A DISTANCE OF 27.11 FEET; THENCE S00°17'02"W A DISTANCE OF 34.45 FEET; THENCE N89°57'08"E A DISTANCE OF 150.22 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE TO THE NORTH HAVING A RADIUS OF 123.62 FEET; THENCE SOUTHEASTERLY AND EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 80°11'08" FOR A DISTANCE OF 173.01 FEET (SAID ARC SUBTENDED BY A CHORD S78°53'06"E A DISTANCE OF 159.23 FEET) TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE S27°21'00"E A DISTANCE OF 14.50 FEET; THENCE N62°39'00"E A DISTANCE OF 19.47

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FEET MORE OR LESS TO A POINT ON THE WEST RIGHT OF WAY LINE OF SAID OLD DIXIE HIGHWAY (S.R. 605); THENCE S27°21'00"E ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF OLD DIXIE HIGHWAY A DISTANCE OF 29.15 FEET; THENCE S25°37'53"E A DISTANCE OF 100.02 FEET; THENCE S27°03'49"E A DISTANCE OF 100.00 FEET; THENCE S25°55'03"E A DISTANCE OF 100.01 FEET; THENCE S27°31'09"E A DISTANCE OF 5.72 FEET; THENCE, LEAVING SAID WESTERLY RIGHT-OF-WAY LINE OF OLD DIXIE HIGHWAY S89°57'08"W A DISTANCE OF 1,070.94 FEET; THENCE N24°37'19"W A DISTANCE OF 366.45 FEET TO THE POINT OF BEGINNING.

Less and except that portion of the parcel maintained by St. Lucie County as a part of Old Dixie Highway.

AND

PARCEL D:

THE NORTH 328.60 FEET OF THAT PART OF THE NORTH 13 ACRES OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA, LYING EAST OF THE EAST RIGHT OF WAY LINE OF OLD DIXIE HIGHWAY as maintained by St. Lucie County AND LYING WEST OF THE WESTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILROAD right of way.

AND

ALL THAT PART OF THE SOUTH 100.40 FEET OF THE NORTH 429.00 FEET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, LYING EASTERLY OF OLD DIXIE HIGHWAY RIGHT OF WAY as maintained by St. Lucie County AND LYING WESTERLY OF THE FLORIDA EAST COAST RAILROAD RIGHT OF WAY.

AND

ALL THAT PART OF THE SOUTHERLY 7.00 CHAINS, (462.00 FEET), OF THE NORTHERLY 13.50 CHAINS, (891.00 FEET), OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA, LYING EASTERLY OF OLD DIXIE HIGHWAY RIGHT OF WAY as maintained by St. Lucie County AND WESTERLY OF THE FLORIDA EAST COAST RAILROAD RIGHT OF WAY.

LESS AND EXCEPT:

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Contract description, may be revised.
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EXHIBIT "A"

Commence at the Northeast Corner of the Southwest ¼ of said Section 8; THENCE S89°57'08"W ALONG THE NORTH LINE OF THE SOUTHWEST ¼ OF SAID SECTION 8 A DISTANCE 688.53 FEET TO THE POINT OF BEGINNING:

Thence run N89°57'08"E a distance of 128.19 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILROAD; THENCE RUN ALONG SAID RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILROAD S22°44'45"E a distance of 199.14 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILROAD, RUN N90°00'00"W a distance of 113.91 FEET; THENCE RUN N27°03'49"W a distance of 60.76 FEET; THENCE RUN N25°27'35"W a distance of 100.03 FEET; THENCE RUN N27°48'30"W a distance of 44.23 FEET TO THE POINT OF BEGINNING.

AND

PARCEL E:

THE SOUTH 313.28 FEET OF THAT PART OF SECTIONS 8 AND 9, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA, LYING EAST OF THE FLORIDA EAST COAST RAILWAY RIGHT OF WAY; LESS AND EXCEPT THE SOUTH 50 FEET THEREOF.

AND

EAST PORTION OF PARCEL F:

A PORTION OF LAND LYING IN THE SOUTHEAST ¼ OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 8, RUN N00°16'34"E ALONG THE EAST LINE OF SAID SECTION 8 A DISTANCE OF 50.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF WILCOX ROAD; THENCE RUN S89°48'22"W ALONG THE SAID NORTH RIGHT OF WAY LINE OF WILCOX ROAD A DISTANCE OF 2049.71 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY 100 FOOT RIGHT OF WAY; THENCE RUN N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY A DISTANCE OF 813.99 FEET; THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE RUN N89°48'22"E A DISTANCE OF 2018.17 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PORTION OF LAND:

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EXHIBIT "A"

THENCE RUN N89°48'22"E A DISTANCE OF 322.98 FEET; THENCE RUN S00°16'34"W A DISTANCE OF 499.14 FEET; THENCE RUN N89°48'22"E A DISTANCE OF 48.26 FEET; THENCE RUN N00°11'38"W A DISTANCE OF 64.70 FEET; THENCE RUN N14°49'36"W A DISTANCE OF 99.52 FEET; THENCE RUN S89°46'23"E A DISTANCE OF 40.74 FEET; THENCE RUN N14°09'01"W A DISTANCE OF 181.06 FEET; THENCE RUN N59°10'02"W A DISTANCE OF 87.69 FEET; THENCE RUN N36°30'24"W A DISTANCE OF 145.10 FEET TO THE POINT OF BEGINNING.

AND

PARCEL P:

A PORTION OF LAND LYING IN THE SOUTHEAST 1/4 and Southwest 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND THE SOUTHWEST 1/4 OF SECTION 9, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 8, RUN N00°16'34"E ALONG THE EAST LINE OF SAID SECTION 8, A DISTANCE OF 50.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF WILCOX ROAD; THENCE RUN S89°48'22"W ALONG THE SAID NORTH RIGHT OF WAY LINE OF WILCOX ROAD, A DISTANCE OF 2049.71 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY 100 FOOT RIGHT OF WAY; THENCE RUN N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY A DISTANCE OF 1080.90 FEET TO THE POINT OF BEGINNING:

THENCE CONTINUE N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE A DISTANCE OF 235.75 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, THE RADIUS POINT TO WHICH BEARS S69°17'50"W A DISTANCE OF 11,509.19 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 11,509.19 FEET, THROUGH A CENTRAL ANGLE OF 01°57'40", AN ARC DISTANCE OF 393.94 FEET TO A POINT ON THE SOUTH LINE OF PARCEL K; THENCE LEAVING SAID CURVE RUN N89°48'22"E ALONG THE SOUTH BOUNDARY LINE OF SAID PARCEL K A DISTANCE OF 288.11 FEET; THENCE RUN N00°11'38"W A DISTANCE OF 254.11 FEET; THENCE RUN N89°48'22"E A DISTANCE OF 421.27 FEET; THENCE RUN S00°11'38"E A DISTANCE OF 338.66 FEET; THENCE RUN N89°48'22"E A DISTANCE OF 418.08 FEET; THENCE RUN N00°11'38"W A DISTANCE OF 195.53 FEET; THENCE RUN N89°48'22"E A DISTANCE OF 304.47 FEET; THENCE RUN N00°11'38"W A DISTANCE OF 143.79 FEET; THENCE RUN N90°00'00"E A DISTANCE OF 430.28 FEET; THENCE RUN

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EXHIBIT "A"

N00°00'00"W A DISTANCE OF 63.26 FEET; THENCE RUN N90°00'00"E A DISTANCE OF 126.85 FEET; THENCE RUN S01°10'02"E A DISTANCE OF 576.76 FEET; THENCE RUN N87°03'42"E A DISTANCE OF 882.77 FEET MORE OR LESS TO A POINT ON THE MEAN HIGH WATER LINE OF THE WESTERLY SHORE OF THE INDIAN RIVER; THENCE RUN S02°56'18"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 369.50 FEET; THENCE RUN S00°27'29"E, ALONG SAID MEAN HIGH WATER LINE 121.97 FEET; THENCE RUN S05°11'34"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 42.31 FEET; THENCE RUN S02°23'35"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 115.43 FEET; THENCE RUN S12°10'25"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 131.91 FEET; THENCE RUN S04°21'20"W ALONG THE SAID MEAN HIGH WATER LINE A DISTANCE OF 106.19 FEET; THENCE RUN S29°02'52"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 201.39 FEET; THENCE RUN S24°41'22"E ALONG SAID MEAN HIGH WATER LINE A DISTANCE OF 64.15 FEET MORE OR LESS TO A POINT ON THE NORTH LINE OF PARCEL E; THENCE LEAVING SAID MEAN HIGH WATER LINE RUN S89°48'22"W ALONG THE NORTH BOUNDARY LINE OF SAID PARCEL E A DISTANCE OF 392.45 FEET; THENCE RUN N00°16'34"E ALONG THE EAST BOUNDARY LINE TO PARCELS F & Q A DISTANCE OF 749.14 FEET; THENCE RUN S89°48'22"W ALONG THE NORTH BOUNDARY LINE TO PARCELS Q AND J A DISTANCE OF 2436.72 FEET TO THE POINT OF BEGINNING.

AND

EAST PORTION OF PARCEL Q:

A PORTION OF LAND LYING IN THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 8, RUN N00°16'34"E ALONG THE EAST LINE OF SAID SECTION 8, A DISTANCE OF 50.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF WILCOX ROAD; THENCE RUN S89°48'22"W ALONG THE SAID NORTH RIGHT OF WAY LINE OF WILCOX ROAD A DISTANCE OF 2049.71 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY 100 FOOT RIGHT OF WAY; THENCE RUN N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY A DISTANCE OF 813.99 FEET; THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE RUN N89°48'22"E A DISTANCE OF 2018.17 FEET TO THE POINT OF BEGINNING:

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EXHIBIT "A"

THENCE N32°58'04"W A DISTANCE OF 212.24 FEET; THENCE N87°27'17"W A DISTANCE OF 247.98 FEET; THENCE N00°16'34"E A DISTANCE OF 59.69 FEET TO A POINT ON THE NORTH PROPERTY LINE OF PARCEL Q; THENCE N89°48'22"E A DISTANCE OF 687.13 FEET TO THE NORTHEAST CORNER OF PARCEL Q; THENCE S00°16'34"W A DISTANCE OF 250.00 FEET TO THE SOUTH EAST CORNER OF PARCEL Q; THENCE S89°48'22"W A DISTANCE OF 322.98 FEET TO THE POINT OF BEGINNING.

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PARCEL R:

Legal Description:

(DESCRIPTION PREPARED BY THE SURVEYOR)

A PORTION OF LAND LYING IN THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 34 SOUTH, RANGE 40 EAST, ST. LUCIE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS; COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 8, RUN N00°16'34"E ALONG THE EAST LINE OF SAID SECTION 8, A DISTANCE OF 50.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF WILCOX ROAD, THENCE RUN S89°48'22"W ALONG THE SAID NORTH RIGHT OF WAY LINE OF WILCOX ROAD, A DISTANCE OF 2049.71 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY 100 FOOT RIGHT OF WAY, THENCE RUN N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY, A DISTANCE OF 281.09 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PORTION OF LAND, THENCE CONTINUE N20°42'10"W ALONG THE SAID EASTERLY RIGHT OF WAY LINE A DISTANCE OF 532.90 FEET, THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE RUN N89°48'22"E ALONG THE SOUTH BOUNDARY LINE FOR PARCEL J A DISTANCE OF 639.43 FEET, THENCE RUN S00°16'34"W ALONG THE WEST BOUNDARY LINE FOR PARCEL F A DISTANCE OF 499.14 FEET TO A POINT ON THE NORTH BOUNDARY LINE FOR PARCEL E, THENCE RUN S89°48'22"W ALONG THE NORTH BOUNDARY LINE FOR PARCEL E A DISTANCE OF 448.63 FEET TO THE POINT OF BEGINNING. SAID PORTION OF LAND CONTAINS 6.2337 ACRES, MORE OR LESS, AND SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS OF WAY OF RECORD.

SAL1

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT
TRUST FUND OF THE STATE OF FLORIDA

LEASE AGREEMENT
HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

Lease Number 4620

This lease is made and entered into this ____ day of _____ 20____, between the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, hereinafter referred to as "LESSOR", and FLORIDA ATLANTIC UNIVERSITY BOARD OF TRUSTEES, hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA holds title to certain lands and property being utilized by the State of Florida for public purposes, and

WHEREAS, the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA is authorized in Section 253.03, Florida Statutes, to enter into leases for the use, benefit and possession of public lands by state agencies which may properly use and possess them for the benefit of the people of the State of Florida.

NOW, THEREFORE, the parties, for and in consideration of the mutual covenants and agreements hereinafter contained, LESSOR leases the below described premises to LESSEE subject to the following terms and conditions:

1. DELEGATIONS OF AUTHORITY: LESSOR'S responsibilities and obligations herein shall be exercised by the Division of State Lands, State of Florida Department of Environmental Protection.
2. DESCRIPTION OF PREMISES: The property subject to this lease, is situated in the County of St. Lucie State of Florida and is more particularly described in Exhibit "A" attached hereto together with all timber, transferable development rights, improvements, easements, appurtenances, hereditaments, and riparian and littoral rights,

except as may otherwise be provided herein, hereinafter referred to as "leased premises".

3. TERM: The term of this lease shall be for a period of fifty years commencing on _____ and ending on _____, unless sooner terminated pursuant to the provisions of this lease.

4. PURPOSE: LESSEE shall manage the leased premises only for the establishment and operation of a campus for LESSEE, and for higher education and research, aquaculture, agriculture, oceanography, environmental science, marine science, engineering, bio-medical research and development or related disciplines and research facilities supportive of those specific uses, including without limitation, the operations of Harbor Branch Oceanographic Institute at FAU, along with other related uses necessary for the accomplishment of this purpose as designated in the Land Use Plan required by paragraph 8 of this lease.

5. QUIET ENJOYMENT AND RIGHT OF USE: LESSEE shall have the right of ingress and egress and access and use of associated drainage areas, utilities and utility corridors necessary or appropriate to provide access, drainage and utilities to the leased premises over and across those easements appurtenant to LESSOR's title to the leased premises for the full quiet enjoyment by said LESSEE of the rights conveyed herein; together with reasonable ingress, egress, access and use necessary or appropriate to provide access, drainage and utilities for LESSEE's exercise of the rights conveyed herein over those roads, utility corridors and drainage areas currently in existence and used for the benefit of the leased premises over, across and under the real property subject to Lease Number 4621 by and between LESSOR and St. Lucie County dated as of the same date hereof and contiguous with the leased premises; subject to reciprocal uses over existing roads, utility corridors and drainage areas on the leased premises necessary or appropriate for St. Lucie County's

management of the lands described in Lease Number 4621; and further subject to the right of St. Lucie County [*parking provisions for St. Lucie County for access to Parcel on FAU lands to be provided - terms to be determined*].

6. UNAUTHORIZED USE: LESSEE shall, through its agents and employees prevent the unauthorized use of the leased premises or any use thereof not in conformance with this lease.

7. RIGHT OF INSPECTION: LESSOR or its duly authorized agents shall have the right at any and all times to inspect the leased premises and the works and operations thereon of LESSEE in any matter pertaining to this lease.

8. LAND USE PLAN: LESSEE shall prepare and submit a Land Use Plan for the leased premises, in accordance with Section 253.034, Florida Statutes. The Land Use Plan shall be submitted to LESSOR for approval through the Division of State Lands, State of Florida Department of Environmental Protection. The leased premises shall not be developed or physically altered in any way other than what is necessary for security and maintenance of the leased premises without the prior written approval of LESSOR until the Land Use Plan is approved. LESSEE shall provide LESSOR with an opportunity to participate in all phases of preparing and developing the Land Use Plan for the leased premises. The Land Use Plan shall be submitted to LESSOR in draft form for review and comments within ten months of the effective date of this lease.

LESSEE shall give LESSOR reasonable notice of the application for and receipt of any state, federal or local permits as well as any public hearings or meetings relating to the development or use of the leased premises. LESSEE shall not proceed with development of said leased premises including, but not limited to, funding, permit application, design or building contracts, until the Land Use Plan required herein has been submitted and approved. Any financial commitments made by LESSEE which are not in compliance with the terms of this lease shall be done at LESSEE'S own risk. The Land use Plan shall emphasize the

original management concept as approved by LESSOR on the effective date of this lease which established the primary public purpose for which the leased premises are to be managed. The approved Land Use Plan shall provide the basic guidance for all management activities and shall be reviewed jointly by LESSEE and LESSOR. LESSEE shall not use or alter the leased premises except as provided for in the approved Land Use Plan without the prior written approval of LESSOR. The Land Use Plan prepared under this lease shall identify management strategies for exotic species, if present. The introduction of exotic species is prohibited, except when specifically authorized by the approved Land Use Plan.

9. INSURANCE REQUIREMENTS: LESSEE shall procure and maintain fire and extended risk insurance coverage, in accordance with Chapter 284, Florida Statutes, for any buildings and improvements located on the leased premises by preparing and delivering to the Division of Risk Management, State of Florida Department of Insurance, a completed Florida Fire Insurance Trust Fund Coverage Request Form and a copy of this lease immediately upon erection of any structures as allowed by paragraph 4 of this lease. A copy of said form and immediate notification in writing of any erection or removal of structures or other improvements on the leased premises and any changes affecting the value of the improvements shall be submitted to the following: Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, Mail Station 130, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399-3000.

10. LIABILITY: LESSEE shall assist in the investigation of injury or damage claims either for or against LESSOR or the State of Florida pertaining to LESSEE'S respective areas of responsibility under this lease or arising out of LESSEE'S respective management programs or activities and shall contact LESSOR regarding the legal action deemed appropriate to remedy such damage or claims.

11. ARCHAEOLOGICAL AND HISTORIC SITES: Execution of this lease in no way affects any of the parties' obligations pursuant to Chapter 267, Florida Statutes. The collection of artifacts or the disturbance of archaeological and historic sites on state-owned lands is prohibited unless prior authorization has been obtained from the Division of Historical Resources of the State of Florida Department of State. The Land Use Plan prepared pursuant to Section 253.034, Florida Statutes, shall be reviewed by the Division of Historical Resources to insure that adequate measures have been planned to locate, identify, protect and preserve the archaeological and historic sites and properties on the leased premises.

12. EASEMENTS AND SUBLEASES: This lease is for the purposes specified herein and all easements of any nature including, but not limited to, utility easements are expressly prohibited and all subleases of any nature are expressly prohibited without the prior written approval of LESSOR. Any easements or subleases not approved in writing by LESSOR shall be void and without legal effect.

13. ENVIRONMENTAL AUDIT: At LESSOR'S discretion, LESSEE shall provide LESSOR with a current Phase I environmental site assessment conducted in accordance with the State of Florida Department of Environmental Protection, Division of State Lands' standards prior to termination of this lease, and if necessary a Phase II environmental site assessment.

14. SURRENDER OF PREMISES: Upon termination or expiration of this lease LESSEE shall surrender the leased premises to LESSOR. In the event no further use of the leased premises or any part thereof is needed, written notification shall be made to the Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, Mail Station 130, 3800 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, at least six months prior to the release of all or any part of the leased premises. Notification shall include a legal description, this lease

number and an explanation of the release. The release shall only be valid if approved by LESSOR through execution of a release of lease instrument with the same formality as this lease. Upon release of all or any part of the leased premises or upon termination or expiration of this lease, all improvements, including both physical structures and modifications to the leased premises, shall become the property of LESSOR, unless LESSOR gives written notice to LESSEE to remove any or all such improvements at the expense of LESSEE. The decision to retain any improvements upon termination of this lease shall be at LESSOR'S sole discretion. Prior to surrender of all or any part of the leased premises, a representative of the Division of State Lands shall perform an on-site inspection and the keys to any buildings on the leased premises shall be turned over to the Division. If the improvements do not meet all conditions as set forth in paragraphs 18 and 21 herein, LESSEE shall pay all costs necessary to meet the prescribed conditions.

15. BEST MANAGEMENT PRACTICES: LESSEE shall implement applicable Best Management Practices for all activities conducted under this lease in compliance with paragraph 18-2.018(2)(h), Florida Administrative Code, which have been selected, developed, or approved by LESSOR or other land managing agencies for the protection and enhancement of the leased premises.

16. PUBLIC LANDS ARTHROPOD CONTROL PLAN: LESSEE shall identify and subsequently designate to the respective arthropod control district or districts within one year of the effective date of this lease all of the environmentally sensitive and biologically highly productive lands contained within the leased premises, in accordance with Section 388.4111, Florida Statutes and Chapter 5E-13, Florida Administrative Code, for the purpose of obtaining a public lands arthropod control plan for such lands.

17. MINERAL RIGHTS: This lease does not cover petroleum or petroleum products or minerals and does not give the right to LESSEE

to drill for or develop the same, and LESSOR specifically reserves the right to lease the leased premises for purposes of exploring and recovering oil and minerals by whatever means appropriate; provided, however, that LESSEE shall be fully compensated for any and all damages that might result to the leasehold interest of LESSEE by reason of such exploration and recovery operations.

18. UTILITY FEES: LESSEE shall be responsible for the payment of all charges for the furnishing of gas, electricity, water and other public utilities to the leased premises and for having all utilities turned off when the leased premises are surrendered.

19. ASSIGNMENT: This lease shall not be assigned in whole or in part without the prior written consent of LESSOR. Any assignment made either in whole or in part without the prior written consent of LESSOR shall be void and without legal effect.

20. PLACEMENT AND REMOVAL OF IMPROVEMENTS: All buildings, structures, improvements, and signs shall be constructed at the expense of LESSEE in accordance with plans prepared by professional designers and shall require the prior written approval of LESSOR as to purpose location, and design. Further, no trees other than non-native species shall be removed or major land alterations done without the prior written approval of LESSOR. Removable equipment and removable improvements placed on the leased premises by LESSEE, which do not become a permanent part of the leased premises will remain the property of LESSEE and may be removed by LESSEE upon termination of this lease.

21. MAINTENANCE OF IMPROVEMENTS: LESSEE shall maintain the real property contained within the leased premises and any improvements located thereon, in a state of good condition, working order and repair including, but not limited to, removing all trash or litter, maintaining all planned improvements as set forth in the approved Land Use Plan, and meeting all building and safety codes. LESSEE shall maintain any and all existing roads, canals, ditches, culverts,

risers and the like in as good condition as the same may be on the effective date of this lease.

22. ENTIRE UNDERSTANDING: This lease sets forth the entire understanding between the parties and shall only be amended with the prior written approval of LESSOR.

23. BREACH OF COVENANTS, TERMS, OR CONDITIONS: Should LESSEE breach any of the covenants, terms, or conditions of this lease, LESSOR shall give written notice to LESSEE to remedy such breach within sixty days of such notice. In the event LESSEE fails to remedy the breach to the satisfaction of LESSOR within sixty days of receipt of written notice, LESSOR may either terminate this lease and recover from LESSEE all damages LESSOR may incur by reason of the breach including, but not limited to, the cost of recovering the leased premises or maintain this lease in full force and effect and exercise all rights and remedies herein conferred upon LESSOR.

24. NO WAIVER OF BREACH: The failure of LESSOR to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this lease shall not be construed as a waiver of such covenants, terms and conditions, but the same shall continue in full force and effect, and no waiver of LESSOR of any one of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by LESSOR.

25. PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES: Fee title to the leased premises is held by LESSOR. LESSEE shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the real property contained in the leased premises including, but not limited to, mortgages or construction liens against the leased premises or against any interest of LESSOR therein.

26. CONDITIONS AND COVENANTS: All of the provisions of this lease shall be deemed covenants running with the land included in the

leased premises, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

27. NOTICES: All notices given under this lease shall be in writing and shall be served by certified mail including, but not limited to, notice of any violation served pursuant to Section 253.04, Florida Statutes, to the last address of the party to whom notice is to be given, as designated by such party in writing. LESSOR and LESSEE hereby designate their address as follows:

LESSOR: Department of Environmental Protection
Division of State Lands
Bureau of Public Land Administration, M.S. 130
3800 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

LESSEE: Florida Atlantic University
Vice President, Facilities
777 Glades Road, CO69, Rm 101
Boca Raton, Florida 33431

Florida Atlantic University
Office of the General Counsel
777 Glades Road, ADM 367
Boca Raton, Florida 33431

28. DAMAGE TO THE PREMISES: (a) LESSEE shall not do, or suffer to be done, in, on or upon the leased premises or as affecting said leased premises or adjacent properties, any act which may result in damage or depreciation of value to the leased premises or adjacent properties, or any part thereof. (b) LESSEE 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 leased premises or any adjacent lands or waters in any manner not permitted by law. For the purposes of this lease, "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 LESSEE'S failure to comply with this paragraph, LESSEE 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 leased premises, and (2) all off-site ground and surface waters and lands affected by LESSEE'S such failure to comply, as may be necessary to bring the leased 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. LESSEE'S obligations set forth in this paragraph shall survive the termination or expiration of this lease. Nothing herein shall relieve LESSEE 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 LESSEE'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, LESSEE shall report such violation to all applicable governmental agencies having jurisdiction, and to LESSOR, all within the reporting periods of the applicable governmental agencies.

29. PAYMENT OF TAXES AND ASSESSMENTS: LESSEE shall assume full responsibility for and shall pay all liabilities that accrue to the leased premises or to the improvements thereon, including any and all drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the leased premises.

30. RIGHT OF AUDIT: LESSEE shall make available to LESSOR all financial and other records relating to this lease and LESSOR shall have the right to audit such records at any reasonable time. This right shall be continuous until this lease expires or is terminated. This lease may be terminated by LESSOR should LESSEE fail to allow public access to all documents, papers, letters or other materials made or received in conjunction with this lease, pursuant to Chapter 119, Florida Statutes.

31. NON-DISCRIMINATION: LESSEE shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the leased premises or upon lands adjacent to and used as an adjunct of the leased premises.

32. COMPLIANCE WITH LAWS: LESSEE agrees that this lease is contingent upon and subject to LESSEE obtaining all applicable permits and complying with all applicable permits, regulations, ordinances, rules, and laws of the State of Florida or the United States or of any political subdivision or agency of either.

33. TIME: Time is expressly declared to be of the essence of this lease.

34. GOVERNING LAW: This lease shall be governed by and interpreted according to the laws of the State of Florida.

35. SECTION CAPTIONS: Articles, subsections and other captions contained in this lease are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this lease or any provisions thereof.

36. ADMINISTRATIVE FEE: LESSEE shall pay LESSOR an annual administrative fee of \$300 pursuant to subsection 18-2.020(8), Florida Administrative Code. The initial annual administrative fee shall be payable within thirty days from the date of execution of this lease agreement and shall be prorated based on the number of months or fraction thereof remaining in the fiscal year of execution. For purposes of this lease agreement, the fiscal year shall be the period extending from July 1 to June 30. Each annual payment thereafter shall be due and payable on July 1 of each subsequent year.

37. SPECIAL CONDITIONS: The following special conditions shall apply to this lease:

a. Projects pertaining to the leased premises and planned and/or funded for renovation, construction or demolition by LESSEE on the leased premises are set forth on Exhibit "B" attached hereto. The LESSOR hereby consents to LESSEE action with respect to such projects prior to the completion and approval of the Land Use Plan required by paragraph 8 of this lease. No further approvals or procedures from Lessor shall be necessary for LESSEE action with respect thereto. Lessee acknowledges that Lessor's approval of Lessee's action as set forth on Exhibit "B" is limited to Lessee's use of Lessor's land for the Lessee's action. Lessor's approval does not obviate the need, if any, for approval by other applicable authorities.

b. LESSOR hereby acknowledges and agrees that the following leases or uses are currently in full force and effect with respect to the leased premises according to their terms:

i. that certain Commercial Lease for space in the Link Building, as referred to in UCC Financing Statement between HBEL, Inc., as debtor, and Harbor Branch Oceanographic Institution, Inc., as secured party, recorded at Official Record Book 2930, page 2363, Public Records of St. Lucie County, Florida;

ii. that certain Facilities Use Agreement with Florida Fish and Wildlife Conservation Commission dated on or about January 22, 2009, for space in the Marine Science Building;

iii. that certain Facilities Use Agreement with the University of Miami commencing on September 1, 2008, for space in the Barrows Marine Operations Building;

iv. that certain letter agreement with Harbor Branch Oceanographic Institute Foundation, Inc. dated on or about December 18, 2007, for space in the HBOI/FAU library building;

v. that certain Facilities Use Agreement with the School Board of St. Lucie county, Florida, dated on or about July 29, 2008, for space in the Johnson Education Center Annex buildings;

vi. that certain Ground Lease Agreement with the School Board of St. Lucie County, Florida, dated on or about July 1, 2008, for the lease of approximately one acre of real property described on Exhibit "A" to said Ground Lease Agreement;

vii. that certain Ground Lease Agreement with the School Board of St. Lucie County, Florida, dated on or about March 18, 2009, for the lease of approximately five acres of real property described on Exhibit "A" to said Ground Lease Agreement; and

viii. that certain Facilities Use & Services Agreement with Aquatic Futures LLC, dated on or about [June 15, 2009] for space in the Larizza Aquaculture Center (Larizza House) and the Hurricane Shelter.

LESSOR delegates to LESSEE and LESSEE hereby accepts such delegation from LESSOR of all of duties and responsibilities of Lessor under the provisions of the above-listed documents. LESSEE agrees to perform all duties and responsibilities of the Lessor, if any, under the provisions of the above-listed documents, and LESSEE agrees that LESSOR shall have no liability or responsibility therefor

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

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE
STATE OF FLORIDA

Witness

Print/Type Witness Name

Witness

Print/Type Witness Name

By: _____ (SEAL)
GLORIA C. BARBER, OPERATIONS,
AND MANAGEMENT CONSULTANT
MANAGER, BUREAU OF PUBLIC
LAND ADMINISTRATION, DIVISION
STATE LANDS, STATE OF FLORIDA
DEPARTMENT ENVIRONMENTAL
PROTECTION

"LESSOR"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this ____ day of _____ 20__, by Gloria C. Barber, as Operations and Management Consultant Manager, Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection. She is personally known to me.

Notary Public, State of Florida

Print/Type Notary Name

Commission Number:

Commission Expires:

Approved as to Form and Legality

By: _____
DEP Attorney

THE FLORIDA ATLANTIC UNIVERSITY BOARD
TRUSTEES ON BEHALF OF THE FLORIDA
ATLANTIC UNIVERSITY

Witness

Print/Type Witness Name

Witness

Print/Type Witness Name

By: _____ (SEAL)

Print/Type Name

Title: _____

"LESSEE"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this _____
day of _____ 20____, by Frank T. Brogan as President of The
Florida Atlantic University Board of Trustees, who is personally
known to me.

Notary Public, State of Florida

Print/Type Notary Name

Commission Number:

Commission Expires:

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LEASED PREMISES

EXHIBIT "B"

PENDING PROJECTS

Construct new 50,000 GSF Laboratory II Building
Construct new Aquaculture laboratory and office facility
Construct new Guardhouse Building & redo entrance ingress/egress routes
Campus Support Facilities - Construct maintenance/equipment storage area structure
Renovate Existing Link Engineering Building
Renovate Johnson House
Renovate Johnson Education Center
Renovate Utility Building
Renovate Hurricane Shelter
Renovate Laboratory I for BMR Relocation
Renovate Necropsy Building
Small Boats Marina Building Renovation/Replacement & Site Improvements
Construct "Pedestrian" spaces among buildings and along channel
Campus wide lightning protection system
Campus Roadway and Parking lot improvements (resurfacing)
Install new main campus signage to include secondary pedestrian/vehicular signs
Install Hurricane Shutters on existing facilities
Upgrade Campus utilities (water, sewer, electric, phone, data, etc.)
Upgrade Campus Security devices
Campus Waste Water Treatment System – Upgrade & consolidate lift stations and tie into county sewer
Campus Fresh Water Treatment System – RO Plant – Engineering & Implementation of Pressure Membranes
Connect to County Fresh Water system
Campus Surface water drainage improvements and repairs
Sea Wall Repairs
Marine Operations - Channel Dredging
Marine Operations Dock stations replacement
Aquaculture Park Building Upgrades
Aquaculture Park Emergency Power Upgrade
Aquaculture Park Saltwater Production System Upgrades
Aquaculture Park Percolation Ponds Upgrade
Aquaculture Park Fresh Water system upgrade
Aquaculture Park Administration building renovations
Aquaculture Park South –New project (pending funding)
Demolish Library Building
Demolish Aquaculture North Pavilion
Demolish Aquaculture North Fresh Water De-gasification system
Demolish Aquaculture North - ORA Glass Greenhouse
Demolish Johnson Science Lab
Demolish / Remove unused chiller unit near Utility Building
Demolish or upgrade old HBEL freezer
Demolish Bussman Dorm
Demolish/Remove Larizza Building