

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget, Finance, and Facilities Committee Meeting

Date: Wednesday, March 6, 2019

Time: 2:00 PM

Location: Florida A&M University, The Grand Ballroom

Committee Members: Kimberly Moore, Chair
Matthew Carter, Kelvin Lawson, Harold Mills, Belvin Perry, Craig Reed

AGENDA

- | | | |
|-----|---------------|---------------|
| I. | Call to Order | Trustee Moore |
| II. | Roll Call | Mrs. Turner |

CONSENT ITEM

- | | | |
|------|---------------------------------------|---------------|
| III. | Approval of Minutes: January 24, 2019 | Trustee Moore |
|------|---------------------------------------|---------------|

ACTION ITEMS

- | | | |
|------|--|-------------------------------|
| IV. | Approval of Brooksville Solar Farm Initiative | Attorney Self/
Dr. Gainous |
| V. | Approval of Carry-Forward Budget (5% BOT Requirement) | Director Mathis |
| VI. | Approval to Amend Policy #2006-04 (P-Card Language Change) | Director Hood |
| VII. | Approval of Budget Amendment for Housing Repairs | Director Mathis |

INFORMATION ITEMS

- | | | |
|-------|--|------------------|
| VIII. | Succession Planning Overview | AVP Ingram |
| IX. | Budget Development Overview | Director Mathis |
| X. | Financial Status Report / Cost Savings | AVP Holmes |
| XI. | Student Write-Off and Property Write-Off | AVP Holmes |
| XII. | Project Updates | |
| | a) University Construction (At-a-Glance) | |
| | a. Housing Project Plan – Phase 1a | VP Ford |
| | b. CASS Project Update/Timeline | AVP Kapileshwari |
| | b) Housing Facilities Update | Director Wilder |
| XIII. | Reports | Trustee Moore |
| XIV. | Adjournment | Trustee Moore |

Supplemental Document: List of Contracts Over \$100,000

**Florida Agricultural and Mechanical University
Board of Trustees**



**III.
Minutes
January 24, 2019**

**Florida Agricultural and Mechanical University
Board of Trustees**



Budget, Finance and Facilities Committee Minutes

Trustee Kimberly Moore, Chair

Thursday, January 24, 2019

MINUTES

Committee Members Present: Chair Kimberly Moore, Trustee Mathew Carter, Trustee Kelvin Lawson, Trustee Harold Mills, Trustee Belvin Perry

Call to Order/Roll Call:

Chair Moore called the meeting to order. Mrs. Turner called the roll. A quorum was present.

CONSENT ITEMS

Approval of Minutes-November 20, 2018

There were no revisions to the minutes. The motion to approve the consent item, November minutes, was carried.

ACTION ITEMS

Approval of the Revised Carry Forward Budget

Director Mathis stated that there were some changes that had to be made due to restricted contractual obligations indicated by Appropriations. The programs that had to be adjusted were the Professional and Graduate Degree Program and the World Class Faculty and Scholar Program. Additionally, the tuition differential carry forward had to be added. Other noted changes included reductions and additions to financial aid, contribution to FAMU/FSU College of Engineering, Hurricane Michael repairs and research funding.

Director Mathis indicated that this information will be shared with the Board of Governor's (BOG) so they could see how the carry forward funds were being used.

The motion to approve this agenda item was moved by Trustee Mills and seconded by Trustee Carter. The motion carried.

Approval of Parking Services Budget Amendment

Director Mathis explained the purpose of the Replacement and Repair Fund (R&R). R&R funds are to be used to replace equipment and to make repairs; they use 3% of revenues for this purpose.

Parking Services spent \$375,000 from their operating budget to purchase digital pedestrian signs, replace radios, and to purchase gravel for use throughout the campus. This item requested approval of budget amendment for the Parking R&R operating budget.

The motion to approve this agenda item was moved by Trustee Mills and seconded by Trustee Lawson. The motion carried.

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Approval of the Centennial Building Access License

AVP Kapileshwari stated that this item is seeking approval to enter into an agreement for the Access License Agreement between FAMU Board of Trustees and FSU Board of Trustees.

FSU desires to construct upon the FAMU Property, at the sole cost and expense of FSU, a parking lot in accordance with such plans as are mutually agreeable to FAMU and FSU and for the mutual use and benefit of FAMU and FSU. The benefit to FAMU will be increased parking near the Centennial building.

FAMU would enter into the Access License on the date indicated in the agreement. This agreement will remain in effect until either party decides to terminate the agreement.

The motion to approve this agenda item was moved by Trustee Mills and seconded by Trustee Perry. The motion carried.

Informational Items

Overview of Audit Findings

VP Ford stated that during the Board of Trustees Audit and Compliance Committee meeting on January 8, 2019, five findings were noted related the operational audit. To ensure that these issues would not be recurring, VP Ford relayed an action plan. This included finding and the proposed solutions, responsible individuals, and an appropriate timeline for the solution. Since four out of the five findings relate to the BFF Committee, VP Ford stated that they will provide periodic updates to the committee members.

Brooksville Solar Farm Initiative

Attorney Self began by giving a brief history of the land that is located in Hernando County. The University acquired the land in 2015 from the U.S. Department of Agriculture. The University has received several proposals for use of the land. However, several months ago the University issued its own solicitation to begin operating a solar farm on this site.

Attorney Self stated that the staff is expected to ask for approval at the March meeting to begin a relationship with Duke Energy of North Carolina for the purpose of implementing the solar farm.

Former University President Fred Gainous is the chair of the committee that reviewed the submitted proposals. He discussed the specifics of the solicitation process.

Dr. Gainous indicated that they had received 100% support from current University President Robinson. The committee consisted of employees of FAMU and students, as well as Hernando County government employees. Dr. Gainous informed the BFF committee of the length of time that it would take to complete the solar farm, the process the committee has taken and reviewed the scope of the land that was donated to the University for this venture.

The County committee member will ensure that Hernando County will clear cut the property and complete the paperwork process necessary for an easement on the property which will allow FAMU to run the power lines needed by Duke Energy.

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Duke will also place a storage facility onsite to store excess currents. Duke indicated a tentative response that there are three areas where internships would exist. One of these areas would be for students with an interest in renewable energy and other power sources. Dr. Gainous also stated that Duke Energy would house an advanced center for renewal energy production, agricultural pollinators (bee hives on the solar farm), natural habitats and natural groundcovers being developed as a research project which would be given to one or more professors on campus. This would assist in weed control of the solar farm. Duke also agreed to give the University access to all of its data for all of its solar farms which is to be used for the teaching and learning purpose.

Additionally, Dr. Gainous indicated that this project has USDA's approval.

Attorney Self explained Duke Energy's proposed ground lease details including the due diligence period, construction and the amount and funding involved in the process of construction and operations. He is also working closely with the Board of Governors staff.

- Trustee Mills: (Commended the committees work but indicated that there wasn't anyone from business school on the committee) Are there alternatives for the use of this land and are we getting the best economics from the 800 acres relative to the alternatives? Trustee Moore request an FAQ document for this project ahead of the next Board meeting.

Response: Attorney Self stated that Department of Agriculture placed restrictions on the use of the land. The land is to be used for agricultural purposes.

Response: President Robinson stated that this is the first bonafide revenue generating proposal that they've received.

Response: Trustee Mills indicated that under the new federal guidelines that the hemp proposal should be considered for using this land.

- Trustee Lawson: Would like to know the economic benefit for Duke Energy over the 25-year period?
Response: Dr. Gainous stated that the committee has looked at other uses for the property. Other examples were given such as leasing it for cattle grazing, lease for crop production or planting pine trees. These did not provide as much financial revenue. Since the property is very sandy the land would have to be properly fertilized for other uses.

Trustee Moore indicated that Duke Energy representatives would be at the March meeting to help address the questions of the BFF committee members.

Honeywell Performance Contract

AVP Kapileshwari stated that this contract would not replace the current energy savings agreement with Siemen's but instead Honeywell project would complement that agreement and pursue additional cost saving measures. The primary objective of the Honeywell project was to reduce energy and water consumption and reduce the operating costs of these two resources for FAMU. Additionally, AVP Kapileshwari has indicated that this project must address the campus' deferred maintenance and ensure compliance with the governing Florida statute.

Feasibility assessments through preliminary audit was used to assess the viability of the performance contract. Utility analysis was also performed based on the 2017 utility cost and consumption data.

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The preliminary audit was conducted at 11 buildings on campus; these buildings included central plant, science/research, academic, and residence life buildings.

Several energy and water savings measures were explored and tentative estimates of savings and return of investments were calculated. Mechanical and HVAC related measures included low hanging fruits like steam trap replacement, building automation to signature project like combined heating or cooling and power generating plant. Non mechanical projects explored included interior and exterior lighting, water conservation, and building envelope measures like roof and window replacements. Simple payback were calculated for all these measures, which ranged from 2 years to 27 years. Based on internal discussions, best practices in the industry, and discussions with Honeywell some of the measures like Thermal Energy Storage system, Solar PV, and envelope upgrades were taken out for the purposes of the next phase of the detailed (investment grade audit). This preliminary audit and feasibility analyses of this project shows a very promising potential for this project, as it relates to energy and water savings and addressing our deferred maintenance needs.

The staff has commenced with meetings with the host agencies including the City of Tallahassee leadership and utilities team to get them up to speed with our initiatives, so we can seek their support and leverage our resources. Simultaneously the agreements necessary for the investment grade audit is being finalized and conversation for the potential financing of this project has commenced. The next 3 months will focus on the Investment Grade Audit (IGA) with regular 30/60/90% feasibility reviews. Finally the IGA work will be completed in June with the contracting scheduled tentatively for late June/July.

CASS Project Updates

AVP Kapileshwari indicated that the project is moving along very well. Underground utility and site work phases are in progress. Excavation of North and South portions of the building is complete. Foundation work has started and over 80% of this is completed. Wall reinforcement and wall forms for north building is over 70% complete. Excessive recent rains have caused some issues but the dewatering efforts are underway. AVP Kapileshwari stated that he is looking forward to getting more funding this year.

Housing Project Plan Phase 1a

AVP Bouie stated that the partial government shutdown has not affected the project and the USDOE has its full budget and funding for the year. AVP Bouie stated that they were proceeding positively through the schedule on the calendar of events that was disseminated at the last meeting. The estimated closing date is February 15th. Additionally, AVP Bouie stated that the team is working with the BOG and Bond Finance and daily updates are being provided.

Questions re: Housing Project Plan Phase 1a

- Trustee Moore: Will we be anticipating any challenges?

Response: AVP Bouie stated that everything was moving forward positively and that they were looking forward to their February 15th closing date.

The meeting was adjourned.

**Florida Agricultural and Mechanical University
Board of Trustees**



**IV.
Approval of
Brooksville Solar Farm Initiative**

Florida Agricultural and Mechanical University Board of Trustees



Meeting Date: March 6, 2019

Agenda Item: IV

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other _____	X _____

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Approval of Brooksville Solar Farm Initiative

Rationale: In 2015 the University accepted a donation of approximately 3,800 acres of agricultural real estate located in Hernando County, on the outskirts of Brooksville, Florida from the U. S. Department of Agriculture. The property comprises four non-contiguous tracts of land ranging in size from 140 acres to 2,100 acres. The property is known as the Brooksville Agricultural and Environmental Research Station (“BAERS”). One condition for the conveyance to the University was that the property be used for research in agriculture for not fewer than 25 years. Since acquiring the property the University has received several unsolicited proposals for use of the BAERS.

In 2018, the University issued its own solicitation for the design, construction, and operation of a solar farm on the 2,100 acre parcel. The committee evaluated the proposals, and selected the proposal by Duke Energy as providing the greatest value to the University.

The chair of the evaluation committee, Dr. Fred Gainous, Associate General Counsel, David Self, and officials from Duke Energy have made presentations to the Budget, Finance and Facilities Committee and to the Board of Trustees at large.

Recommendation: The staff recommends that the University enter into the agreement with Duke Energy for the development of a not to exceed 800 acre solar farm to be located at the Brooksville Agricultural and Environmental Research Station in substantially the form attached hereto and subject to the review and approval of the Office of the General Counsel.

Attachments: Proposed ground lease between Florida A&M University and Duke Energy for the evaluation, construction and operation of a not to exceed 800-acre solar farm on the 2,100 acre parcel at the Brooksville Agricultural and Environmental Research Station.

GROUND LEASE AGREEMENT

Site No.: _____

Land Unit No.: _____

Project No.: _____

Summary of Ground Lease Agreement Terms:

This section provides a summary of the general business terms of that certain Ground Lease by and between the Florida A&M University Board of Trustees and Duke Energy Florida dated December , 2018. In the event of any discrepancy between the terms of this Summary and those of the Ground Lease, the terms and conditions in the attached Ground Lease Agreement shall prevail. All capitalized terms shall have the same meaning as set forth in the attached Ground Lease Agreement.

Effective Date: _____, 20__.

Landlord: FLORIDA A&M UNIVERSITY BOARD OF TRUSTEES

Tenant: Duke Energy Florida, LLC d/b/a Duke Energy

Summary Description of Land: No more than 800 acres of parcels R26 421 20 0000 0010 0000, R27 421 20 0000 0010 0000, R22 421 20 0000 0010 0000 and R23 421 20 0000 0010 0000 located in Brooksville, Hernando County, Florida.

Term of Lease: The term of this Lease shall commence on the Commencement Date and shall end at 11:59 P.M. local time on the date that is twenty-five (25) years after the Commencement Date.

Commencement Date: The Commencement Date of the Term is the Commercial Operation Date (as defined in Section 2(a) of the Lease).

Number and Length of Optional Renewal Term(s): Two (2) optional Renewal Term of five (5) years each.

Due Diligence Period: The Initial Due Diligence Period commences on the Effective Date and ends two (2) years after the Effective Date. Tenant shall pay Landlord the sum of forty Dollars per usable acre (\$40.00/ usable acre) for each year of the Initial Due Diligence Period. If Tenant requests extension of the Initial Due Diligence Period for one (1) additional year, Tenant shall pay a non-refundable payment to Landlord for the sum of Three Thousand Dollars (\$3,000.00).

Construction Period: The Construction Period commences upon the Construction Commencement Date (as defined in Section 3(b) of the Lease) and expires upon the Commercial Operation Date (which is the same date as the Commencement Date of the Term). Tenant shall pay Landlord the sum of Four Hundred Dollars (\$400.00) per usable acre for each year of the Construction Period. The construction period shall not last more than 18 months.

Rent: During the Term, Tenant shall pay Landlord rent in the sum of Eight Hundred Fifty Dollars (\$850.00) per Usable Acre of the Land (prorated for fractional acres) as provided in Section 5 of the Lease.

Rent Increase: Commencing on the second annual anniversary date of the Commencement Date and on each subsequent one year annual anniversary date thereafter, the annual Rent shall increase by two and a half percent (2.5%).

Addresses:

Landlord:	Tenant:
Florida A & M University Board of Trustees c/o Dr. Fred Gainous 1601 S. Martin Luther King Jr. BLVD Tallahassee, FL 32307-3105	Duke Energy Florida, LLC c/o Jones Lang LaSalle Americas, Inc. 550 South Tryon Street Mail Code: DEC22A Charlotte, NC 28202

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Lease") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between Florida A & M University Board of Trustees, a public body corporate (the "Landlord") and **DUKE ENERGY FLORIDA, LLC**, a Florida limited liability company d/b/a Duke Energy (the "Tenant").

Landlord and Tenant covenant and agree as follows:

1. **Premises and Intended Use.** In consideration of the rents, terms, covenants, and agreements set forth in this Lease to be paid, kept, and performed, Landlord leases to Tenant and Tenant leases from Landlord no more than 800 acres of land (some portion of parcels R26 421 20 0000 0010 0000, R27 421 20 0000 0010 0000, R22 421 20 0000 0010 0000 and R23 421 20 0000 0010 0000), located in Brooksville, Hernando County, Florida, as more particularly described and/or depicted on **Exhibit A** attached hereto and incorporated herein by reference (the "Land"), and all improvements, fixtures, personal property and trade fixtures now or in the future located thereon (but excluding any property required to be removed by Landlord pursuant to Section 7(b) of this Lease), together with all other appurtenances, tenements, hereditaments, rights and easements pertaining to the Land and the improvements now or in the future located thereon (the Land, together with the above-described property, improvements and appurtenances are hereinafter collectively referred to as the "Premises"), to be occupied and used upon the terms and conditions herein set forth. Tenant's intended use of the Premises is for the development, construction, installation, operation and maintenance of a solar photovoltaic power array and related improvements for the generation of electric power and related ancillary technologies, including but not limited to, energy storage, voltage regulation, and power quality regulation (the "Intended Use"), and including without limitation, (i) electrical and communication lines, transformers, power inverters, equipment, cables, switches and electrical substation(s); (ii) laydown areas, control buildings, and maintenance facilities; and (iii) roads, fences and gates, and other structures and facilities required for ingress and egress for pedestrians, motor vehicles and equipment and for security (collectively the "Solar Generating Facility").

2. **Term of Lease, Commencement Date, and Renewal Terms.**

(a) **Term of Lease and Commencement Date.** The term of this Lease (including any extensions or renewals, the "Term") shall commence on the Commencement Date and shall end at 11:59 P.M. local time on the date that is twenty-five (25) years after the Commencement Date (the "Expiration Date"), unless extended or sooner terminated as herein provided. If the Expiration Date is other than the last day of a calendar month, the Term shall be extended automatically until 11:59 P.M. local time on the last day of the calendar month in which the Term otherwise would expire. The "Commencement Date" shall be the Commercial Operation Date. The "Commercial Operation Date" shall be the date that all of the following have occurred: (i) the Solar Generating Facility has been installed, constructed, tested, commissioned, and is fully capable of being operated for its Intended Use; (ii) the Tenant has received all permits and approvals from governmental authorities having jurisdiction and the applicable electrical transmission provider for the Solar Generating Facility; and (iii) the Solar Generating Facility begins delivering electricity to the electrical grid. Once the Commencement Date is ascertained, the parties agree to execute a memorandum or other writing confirming the Commencement Date and the termination date.

(b) **Renewal Terms.** Tenant shall have the right to extend the initial Term granted herein for up to two (2) additional terms of five (5) years each (each a "Renewal Term" and collectively, the

“Renewal Terms”) by providing Landlord with written notice of Tenant’s desire to extend the Term for the applicable Renewal Term prior to the Expiration Date (or prior to the expiration of the preceding Renewal Term, as applicable).

3. Due Diligence Period; Construction Period; and Landlord’s Rights Before Construction Commencement Date.

(a) Due Diligence Period. Commencing on the Effective Date and continuing for a period of two (2) years after the Effective Date (the “Initial Due Diligence Period”), Tenant shall have the right to enter the Premises to perform its due diligence, inspection, investigation and pre-construction activities to determine if the Premises is suitable for leasing by Tenant, the Intended Use, and obtaining permits and approvals for the Intended Use. **Tenant shall pay Landlord the sum of Forty Dollars per Usable acre (\$40.00/usable acre) for each year of the Initial Due Diligence Period.** Such payment shall be made in two (2) equal installments, with the first (1st) installment payable on January 1st of each year, and the second (2nd) installment payable on July 1st of each year. Tenant may extend the Initial Due Diligence Period for one (1) additional year commencing after the expiration date of the Initial Due Diligence Period (the “Extended Due Diligence Period”), by delivering written notice to Landlord prior to the expiration date of the Initial Due Diligence Period and **paying Landlord a non-refundable sum of Three Thousand Dollars (\$3,000.00).** (The Initial Due Diligence Period and Extended Due Diligence Period are collectively referred to herein as the “Due Diligence Period”). Rent for the Extended Due Diligence Period shall continue at the rate of the Initial Due diligence Period as **the sum of Forty Dollars per Usable acre (\$40.00/usable acre).**

(b) Construction Period. The “Construction Period” shall commence upon the Construction Commencement Date (as hereinafter defined) and expire upon the Commercial Operation Date (which is the same date as the Commencement Date of the Term of this Lease). **Tenant shall pay Landlord the sum of Four Hundred Dollars per usable acre (\$400.00/usable acre) for each twelve (12) months of the Construction Period.** The “Construction Commencement Date” shall be the earlier of (i) the date Tenant issues written to Landlord advising Landlord of Tenant’s intent to begin construction activities at the Premises, (ii) the date specified in Tenant’s written notice to Landlord after which Landlord (or any other party claiming, by, through or under Landlord) may no longer plant or harvest crops on the Premises (the “Interim Crop Notice Date”), or (iii) the date Tenant commences the construction or installation of the Solar Generation Facility at the Premises; provided however, the Construction Commencement Date shall not be deemed to have occurred by virtue of any testing conducted by Tenant on the Land, minimal site clearing to support such testing, or by virtue of Tenant installing access routes or roads on the Land. To be effective for any calendar year, Tenant must deliver any written notice to Landlord specifying the Interim Crop Notice Date no later than October 31st of the preceding calendar year. Once the Construction Commencement Date is ascertained, the parties agree to execute a memorandum or other writing confirming the Construction Commencement Date. The Construction Period should be no more than eighteen (18) months.

(c) Landlord’s Rights Prior to Construction Commencement Date. During the period between the Effective Date and the Construction Commencement Date, Landlord shall continue to have full use and control of the Premises, subject to Tenant’s access and inspection rights set forth in Section 3(a) and Section 4 of this Lease. On and after the Construction Commencement Date, Landlord (and any other party claiming, by, through or under Landlord) shall not have any right to plant or harvest crops, or conduct forestry or timber practices on the Premises.

(d) Farming and Harvesting Crops. During the period between the Effective Date and the Construction Commencement Date, Landlord may plant and harvest crops on the Premises and retain the income derived from the sale of such crops. Landlord shall exercise good agricultural practices

associated with such activities. If Tenant damages Landlord's crops on the Premises during periods which Landlord is permitted to plant and harvest crops hereunder, Tenant shall reimburse Landlord for the reasonable fair market value of such crops (valued at the time the same are damaged by Tenant).

(e) Forestry and Harvesting Timber. During the period between the Effective Date and the Construction Commencement Date, Landlord may engage in forestry practices at the Premises, including the harvesting of timber and retain the income derived from such harvesting; provided however, before the Construction Commencement Date, Landlord shall, at Landlord's cost (i) remove all logs and debris from timber cutting at the Premises, (ii) repair all ruts and access road(s) on or used for the Premises, and (iii) grub all affected areas on the Premises. Forestry practices, including harvesting of timber, shall be conducted utilizing best management practices and shall comply with all applicable federal, state and local laws, rules, ordinances and requirements of governmental authorities having jurisdiction. Landlord, at Landlord's cost, shall be responsible for any violations of such applicable laws and governmental requirements affecting the Premises caused by Landlord's (or Landlord's contractors) forestry or timber harvesting activities.

4. Lease Contingencies and Tenant's Due Diligence.

(a) Lease Contingencies. Tenant's obligation to perform hereunder shall be subject to the satisfaction of the following contingencies (collectively the "Contingencies"): (i) Tenant obtaining all necessary permits and approvals from federal, state and local governmental authorities required by Tenant for its Intended Use and to construct and operate its Solar Generating Facility at the Premises with interconnection to the grid for the sale and delivery of electrical power; (ii) Tenant's review and approval of title and survey matters with respect to the Premises, the environmental, geological, geotechnical, and physical condition of the Land; (iii) Tenant obtaining all necessary easements for its Intended Use; (iv) Tenant deciding to lease the Premises in lieu of other sites being considered by Tenant prior to the expiration date of the Due Diligence Period; and (v) Tenant's review and approval of any other matters that Tenant deems relevant to determining whether Tenant's leasing of the Premises is economically and otherwise feasible. Landlord, at no cost to Landlord, agrees to sign any applications or other documents (that require signature by the fee owner of the Premises), and to take all such other actions, as are reasonably required to allow Tenant to, at Tenant's expense, obtain any re-zonings, so long as said re-zonings permit agricultural uses, variances, permits or other approvals required by Tenant for the Intended Use. If Tenant is unable to satisfy the Contingencies to Tenant's satisfaction prior to the expiration date of the Due Diligence Period, or if Tenant otherwise determines that Tenant's leasing of the Premises is not feasible or desirable for any reason whatsoever, Tenant may terminate this Lease by giving written notice to Landlord prior to the expiration date of the Due Diligence Period. In addition, the Tenant's right to terminate this Lease pursuant to this Section 4(a) shall expire on the Construction Commencement Date and is further subject to the conditions specified in Section 9 of this Lease. If Tenant terminates this Lease prior to the expiration date of the Due Diligence Period and the Construction Commencement Date pursuant to this Section 4(a), no payment by Tenant for the Construction Period as set forth in Section 3(b) of this Lease and no rent as set forth in Section 5 of this Lease shall be due or payable to Landlord hereunder.

(b) Due Diligence, Inspections, Title and Survey. After the Effective Date, Tenant and its employees, agents, contractors, and authorized representations shall be entitled to enter the Premises and conduct, at Tenant's expense, inspections, investigations, studies, surveys, borings, sampling, and testing of the Premises as Tenant deems necessary or desirable to determine if the Premises is suitable for Tenant's Intended Use (the "Due Diligence Work"). Within sixty (60) days after the Commencement Date, Tenant shall obtain a survey of the Premises (the "Survey"). The Survey's legal description shall be deemed to be the legal description of the Land for all purposes under this Lease (including determining

the amount of rent payable during the Term). After the Commencement Date, Tenant may, at Tenant's expense, conduct the necessary survey(s) and submit the required filings to the local governmental authority having jurisdiction to subdivide the parcel(s) of Land comprising the Premises so that the Premises are contained within one or more tax parcels separate from other adjacent property owned by the Landlord.

5. **Rent.**

(a) **Rent During Term.** Commencing on the Commencement Date, **Tenant shall pay Landlord annual rent during the Term in the sum of Eight Hundred Fifty Dollars per usable acre (\$850.00)** per Usable Acre of Land located within the Premises (prorated for any fractional acres), as evidenced and determined by the Survey. As used herein, "Usable Acre" shall mean the gross acreage of the Land including shade buffers, less any acreage located within public road right of way, wetlands, jurisdictional streams, NCDEQ-required stream buffers, watersheds, endangered species habitat, sites of protected cultural resources and/or flood plains, as determined by the Survey or Tenant's investigation of the Premises. Rent shall be payable on a semiannual basis, with the first (1st) rent installment payable within thirty (30) days after the Commencement Date, the second (2nd) rent installment being due on the date that is six (6) months after the Commencement Date, and subsequent payments of rent being due every six (6) months thereafter.

(b) **Rent Increase.** Commencing on the second (2nd) annual anniversary date of the Commencement Date, and on each one year annual anniversary date of the Commencement Date thereafter (including any such anniversary dates occurring during any exercised Renewal Term), the annual rent payable hereunder shall increase over the annual rent payable for the prior year by two percent (2%).

(c) **Rent Payments.** The payment of rent for any fractional calendar year during the Term shall be prorated. The Tenant shall receive a credit against the initial installment(s) of rent in an amount that is the pro-rated portion paid by Tenant during the Construction Period attributable to the number of months from the Commencement Date through the date up to which Tenant previously made payments pursuant to Section 3(b) of this Lease. If Tenant fails to pay any installment of rent to Landlord by the date that the same is due hereunder, and such failure continues for a period of five (5) business days [no notice for a default on regularly scheduled payments – if no notice is given we would like to keep the 15 business days] Tenant will pay a late fee to the Landlord in the amount of three percent (3.0%) of such unpaid delinquent rent amount.

6. **Utilities, Maintenance and Repairs.** Tenant shall pay for all utilities used at the Premises by Tenant. Tenant, at Tenant's cost, shall be responsible for the repair and maintenance of the Solar Generating Facility and Tenant's improvements on the Premises.

7. **Alterations.**

(a) Tenant may, at its expense, make any alterations, additions, improvements and changes to the Premises as it may deem necessary or desirable in the operation of its business or Solar Generating Facility, with the consent of Landlord, including without limitation any fencing, security devices and or signage desired by Tenant. Consent of the Landlord shall not be withheld unreasonably. Any alteration, addition, improvement or change conducted by Tenant shall be done in compliance with applicable laws and requirements of governmental agencies having jurisdiction. Landlord, at no cost to Landlord, agrees to sign any permit applications and to take all such other actions as are reasonably required to allow Tenant to accomplish any such alterations, additions, improvements and changes to the Premises. The

Solar Generating Facility and any and all improvements constructed on the Premises by or for Tenant, and all machinery, fixtures, trade fixtures, equipment, and other personal property installed or placed in the Premises by or for Tenant, shall, regardless of the manner of attachment to the Premises or the improvements thereon, be and at all times remain the property of Tenant, and shall be removable by it at any time and from time to time during the Term and at the expiration or earlier termination of this Lease. In the event that Tenant removes any trees, crops or other vegetation from the Premises during the Term, Tenant may sell and/or dispose of the same, and any revenues derived by Tenant from the sale of the same shall belong to Tenant.

(b) Within thirty (30) days after the Tenant notifies Landlord that the Construction Commencement Date has occurred, Landlord shall, at Landlord's sole cost and expense, remove and dispose of all of the following from the Premises: _____.

8. **Use and Occupancy.** Tenant shall be entitled to use the Premises for the Intended Use. Tenant agrees that no unlawful use of the Premises will be made. Landlord shall deliver sole and exclusive possession of the Premises to the Tenant on the Construction Commencement Date.

9. **Lease Termination and Surrender of Land.**

(a) **Termination Rights.** Tenant shall have the right to terminate this Lease as of the date that is thirty-six (36) months after the Commencement Date (the "Termination Date") by providing Landlord with written notice of such termination on or before the date that is thirty (30) days prior to the Termination Date. Rent shall be prorated as of the Termination Date. Additionally, Tenant shall have the right to terminate this Lease in the event that its power purchase agreement, or other agreement, under which Tenant provides power generated at the Premises to a third party, is terminated for any reason whatsoever (other than a termination due to a default by Tenant under such agreement). Upon a termination of this Lease by Tenant permitted hereunder, this Lease shall terminate and become null and void, and Tenant shall have no further obligations hereunder.

(b) **Surrender of Land.** Upon the expiration or earlier termination of this Lease, Tenant shall (i) return the Land to Landlord in substantially the same condition the same were in as of the Construction Commencement Date, to the extent practicable and reasonable wear and tear excepted; and if applicable, (ii) decommission and remove Tenant's Solar Generating Facility and all improvements and equipment constructed or installed by Tenant on the Land. Notwithstanding the foregoing, in no event shall Tenant have any obligation to replace any crops or other vegetation damaged or removed by Tenant during the Term.

10. **Insurance.** Tenant may, after the Solar Generating Facility and its improvements are completed, keep such improvements insured against loss or damage by fire, windstorm, earthquake and similar hazards. Each party hereto shall keep in force, at its sole cost and expense, comprehensive commercial general liability insurance, with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) [University limits are \$200,000/\$300,000 – I am running by our insurance folk] aggregate, insuring such party, and the other party hereto as additional insured, against liability arising out of the use, occupancy or ownership of the Premises. Any provisions herein to the contrary notwithstanding, Landlord and Tenant mutually agree that, in respect to any loss which is covered by insurance then being carried by them respectively (or which would have been covered had such party maintained the insurance required hereunder), the one carrying such insurance and suffering said loss hereby releases the other of and from any and all claims with respect to such loss, and waives any rights of subrogation which might accrue to the carrier of such

insurance. Notwithstanding the foregoing, Tenant may self-insure (either by use of deductibles or self-insured retention) the coverage required of Tenant hereunder and Tenant may satisfy its insurance obligations hereunder through a “blanket” policy or policies covering other properties or liabilities of Tenant.

11. **Taxes.** Tenant shall be solely responsible for any ad valorem property taxes that are assessed against either the Premises or Tenant’s personal property for periods falling within the Term. Tenant shall also be responsible for any deferred property taxes (“Deferred Taxes”) due on the Premises as a result of Tenant’s use of the Premises for the Intended Use to the extent required by applicable Florida laws. However, in the event that Tenant’s use of the Premises for the Intended Use triggers the obligation to pay any Deferred Taxes, or any other taxes, assessments, penalties, fees or interest, on any other property owned by Landlord (other than the Premises), Landlord shall be solely responsible for paying the same. In the event that the Premises is a part of a larger tax parcel owned by Landlord, and Deferred Taxes become payable on the entire tax parcel as a result of Tenant’s use of the Premises for the Intended Use, the Deferred Taxes shall be equitably apportioned as to Landlord and Tenant in a pro-rata manner such that Tenant is responsible only for such costs as they relate to the Premises and Landlord is responsible for the remainder. During the Term, Tenant, at its cost, shall have the right, at any time, to seek a reduction in the assessed valuation of the Premises or to contest any taxes that are assessed against the Premises (or any portion thereof) or are to be paid by Tenant. If Tenant seeks a reduction or contests any taxes, the failure on Tenant’s part to pay the taxes shall not constitute a default as long as Tenant complies with the provisions of this Section 11.

12. **Fire or Other Casualty.** In the event that the Premises, Solar Generating Facility, the improvements thereon, or any portions thereof, are damaged by fire or other casualty during the Term, and if in Tenant’s sole reasonable judgment, the damage is of such nature or extent that it is uneconomical to repair and restore the Premises, the Solar Generating Facility, or other improvements thereon, as the case may be, Tenant may terminate this Lease by written notice to Landlord. The proceeds of any casualty insurance policy maintained by Tenant shall be payable to Tenant. In the event of such termination, rent shall be prorated as of the effective date of termination.

13. **Condemnation.**

(a) If the whole of the Premises shall be taken under the exercise of the power of eminent domain or by agreement with any condemnor in lieu of such taking, or such portion thereof that, in Tenant’s judgment, the remainder of the Premises is not suitable for Tenant’s purposes (a “Total Taking”), then this Lease shall terminate as of the earlier of the date when title thereto vests in the condemnor or the date when possession thereof shall be delivered to the condemnor.

(b) If a portion or portions of the Premises shall be taken under the exercise of the power of eminent domain or by agreement with any condemnor in lieu of such taking, and such taking does not constitute a Total Taking (a “Partial Taking”), then this Lease, only as to the portion or portions so taken, shall terminate as of the date possession thereof shall be delivered to the condemnor, but otherwise this Lease shall remain in full force and effect. In the case of a Partial Taking, the rent payable under this Lease after possession of the portion so taken shall be reduced pro-rata based on the acreage so taken. If there is any Partial Taking, the Landlord and the Tenant shall both be entitled to participate in the condemnation proceeding to establish the condemnation award to the taking of each parties’ interest in the Premises.

(c) If Landlord and Tenant are unable to obtain separate awards with respect to their respective interests in the Premises, then, the single award shall be fairly and equitably apportioned

between Landlord and Tenant. The portion of the award to be received by Landlord shall be based upon the taking of or injury to the fee simple estate in the Land, but not the improvements thereon. The portion of the award to be received by Tenant shall be based upon the taking and reduction of Tenant's leasehold estate created by this Lease, the taking of any improvements constructed or placed by Tenant on the Land, loss or interruption of Tenant's business and the cost of any restoration or repair necessitated by such taking or condemnation. Notwithstanding the foregoing, however, in the event Tenant has exercised its right to terminate this Lease under this Section 13, then Tenant shall first receive all condemnation proceeds until Tenant has received an amount equal to the appraised value of the improvements made to the Land by Tenant prior to the taking. Tenant shall have the right to participate, at its own expense, in any such condemnation proceedings and to negotiate on behalf of itself and Landlord in such proceedings; provided, however, Tenant shall not enter into any binding agreement or settlement without the prior consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed by Landlord. Landlord agrees to cooperate with Tenant and to execute such documentation as may be reasonably necessary to allow Tenant to participate in such condemnation proceedings.

14. **Default.** Except for payment defaults, if either party fails to comply with any term, covenant or condition of this Lease for a period of thirty (30) days after the defaulting party's receipt of written notice from the other party of such failure (provided, however, if such failure cannot reasonably be cured within such thirty (30) day period, the defaulting party shall not be in default hereunder if it commences to cure within such thirty (30) day period and prosecutes the cure to completion in good faith and with due diligence), then the defaulting party shall be deemed in default hereunder and the other party may, at its option, may pursue any and all remedies available to such party at law or in equity. If there a default by a party hereunder, the non-defaulting party will take commercially reasonable measures to mitigate its damages.

15. **Binding Effect; Assignment and Subletting.** This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. Tenant may assign this Lease, in whole or in part, or sublet the Premises, or any part thereof, without Landlord's prior consent, provided that any such assignee shall agree in writing to be bound by all of the terms and conditions of this Lease. Landlord shall promptly notify Tenant in writing of the identity and address of any purchaser of Landlord's fee interest in the Premises and Landlord shall cause such purchaser to notify Tenant in writing of the address for payment of rent.

16. **Mutual Indemnification.** Except to the extent caused by Landlord, Tenant agrees to indemnify and hold Landlord harmless from any and all damages or claims which Landlord may be compelled to pay on account of injuries to person or damages to property on the Premises where the aforesaid injuries or damages are caused by Tenant (or Tenant's employees, agents, or contractors) or Tenant's breach of this Lease. Except to the extent caused by Tenant, Landlord agrees to indemnify and hold Tenant harmless from any and all damages or claims which Tenant may be compelled to pay on account of injuries to person or damages to property on the Premises where the aforesaid injuries or damages are caused by Landlord (or Landlord's employees, agents, or contractors) or Landlord's breach of this Lease.

17. **Quiet Enjoyment.** Landlord covenants and warrants that as long as Tenant is not in default under the terms and conditions of this Lease (beyond any applicable notice and cure periods), it will defend the right of possession to the Premises in Tenant against all parties whomsoever for the entire term hereof, and that Tenant shall have peaceable and quiet possession of the Premises during the Term without hindrance or molestation.

18. **Waiver.** The waiver by any party of any breach of any covenant or agreement herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant or agreement herein contained.

19. **Possession After Termination.** If Tenant shall fail to vacate and surrender the possession of the Premises at the termination of this Lease, Landlord shall be entitled to recover from Tenant rent in an amount equal to one hundred twenty-five percent (125%) of the amount of rent payable hereunder for the period from the termination of this Lease until the date the Premises are vacated and surrendered.

20. **Notices.** All notices, elections, demands, requests, payments and other communications hereunder shall be in writing, signed by the party making the same and shall be sent by certified or registered United States mail, postage prepaid, or by national overnight courier service which provides tracking and acknowledgement of receipts, addressed to:

To Landlord: Florida A & M University
Board of Trustees
1601 S. Martin Luther King Jr. BLVD
Tallahassee, FL 32307-3105

Copy to: Florida A&M University
Office of the General Counsel
304 Foote-Hilyer Administration Center
Tallahassee, Florida 32307

To Tenant: Duke Energy Florida, LLC
Jones Lang LaSalle Americas, Inc.
550 South Tryon Street
Mail Code: DEC22A
Charlotte, NC 28202

or at such other address as may hereafter be designated in writing by either party hereto. The time and date on which mail is postmarked shall be the time and date on which such communication is deemed to have been given.

21. **Memorandum of Lease.** Landlord and Tenant agree that this entire Lease shall not be recorded; provided however, promptly after the full execution of this Lease, Landlord and Tenant shall execute and record (at Tenant's expense) a memorandum of this Lease in the Office of the Register of Deeds in the County in which the Premises is located and which memorandum shall be in form sufficient to publish notice and protect the validity of this Lease and Tenant's rights hereunder. The lease memorandum shall specify the Commencement Date, the Expiration Date, the Renewal Terms granted herein, and such other provisions of this Lease as the parties mutually agree to incorporate therein.

22. **Governing Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Florida.

23. **Invalidity of Particular Provisions.** If any term or provision of this Lease shall to any extent be ruled invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease

shall not be affected thereby and each other term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

24. **Subordination/Non-Disturbance Agreement.**

(a) Tenant's obligation to subordinate its interests or attorn to any mortgagees or beneficiaries of mortgages or deeds of trust, or any other holders of liens on the Premises or any portion thereof (each hereinafter a "Mortgagee") that may heretofore or hereafter be placed against the Premises by Landlord is conditioned upon the Mortgagee's written agreement not to disturb Tenant's possession, quiet enjoyment of the Premises, and rights under this Lease so long as Tenant is not in default under the terms of this Lease (beyond any applicable notice and cure periods). Landlord shall use commercially reasonable efforts to provide to Tenant, on or before the expiration date of the Due Diligence Period and Construction Commencement Date, a subordination, non-disturbance, and attornment agreement from any and all current Mortgagees that is reasonably acceptable to Tenant. With respect to any future Mortgagee of a mortgage or deed of trust, Landlord shall use commercially reasonable efforts to obtain from such future Mortgagee a subordination, non-disturbance, and attornment agreement that is reasonably acceptable to Tenant.

(b) In the event any proceedings are brought for foreclosure of any mortgage or deed of trust on the Premises, Tenant will attorn to the purchaser at a foreclosure sale on acquiring Landlord's interest in the Premises and the Lease, and any assignee thereof, and recognize such purchaser or assignee as Landlord under this Lease provided such purchaser or assignee agrees in writing not to disturb Tenant's possession or rights under this Lease or in the Premises, and to acknowledge all of Tenant's rights hereunder, so long as Tenant is not in default under the terms of this Lease (beyond any applicable notice and cure periods). Tenant agrees to give any such Mortgagee of whom Tenant has been informed in writing, written notice of any default or failure to perform by Landlord under this Lease. Such Mortgagee shall have the same amount of time afforded to Landlord hereunder to cure any Landlord default; and Tenant shall accept such cure if timely and effectively made by such Mortgagee.

25. **Warranties and Representations.**

(a) Tenant hereby agrees with, and warrants and represents to Landlord as follows: (i) Tenant is a duly formed and validly existing entity, incorporated or organized under the laws of the State in which it was incorporated or organized; (ii) Tenant has the full legal right, power and authority to execute this Lease and all documents now or hereafter to be executed by it pursuant to this Lease; (iii) this Lease has been duly authorized by all requisite entity action on the part of the Tenant, and is the valid and legally binding obligation of Tenant, enforceable in accordance with its terms; (iv) this Lease will not contravene any provision of Tenant's organizational documents, any judgment, order, decree, writ or injunction issued against Tenant or any provision of any laws applicable to Tenant; and (v) the consummation of the transaction contemplated hereby will not result in a breach or constitute a default or event of default by Tenant under any agreement to which Tenant or any of its assets are subject or bound and will not result in a violation of any laws applicable to Tenant.

(b) Landlord hereby agrees with, and warrants and represents to Tenant as follows: (i) Landlord is the owner of the Premises with full right and authority to execute this Lease and to lease the Premises to Tenant in accordance with the terms hereof; (ii) to the best of Landlord's knowledge, the Premises are free from environmental contamination of any sort, and the Premises complies with any and all applicable laws, rules, and ordinances; (iii) Landlord has not received any notice of condemnation, zoning change or legal noncompliance relating to the Premises; (iv) Landlord will not institute or consent to any rezoning of the Premises during the Term; (v) Landlord shall not further encumber the title to the

Premises after the Effective Date and during the Term; (vi) Landlord acknowledges that access to sunlight is essential to the value of the rights granted to Tenant under this Lease, and accordingly, Landlord shall not cause or permit any property owned or controlled by Landlord in the vicinity of the Premises, or any activities, uses or improvements thereon, to impair Tenant's use of the Premises or the Solar Generating Facility thereon (for example, and without limiting the generality of the foregoing, Landlord shall not cause or permit any cell towers, water towers, billboards, silos or any other structures to be placed or constructed thereon or permit the growth of any foliage that may obstruct the sunlight that otherwise would reach the Premises, or that may cast shade or shadows upon the Premises or any portion thereof); (vii) the Premises is free from any recorded or unrecorded use or occupancy restrictions or declarations of restrictive covenants; (viii) Landlord has not and, to the best of Landlord's knowledge, Landlord's tenants or predecessors in title have not used, manufactured, stored or released petroleum products or hazardous substances on, in or under the Premises; (ix) there are no service or maintenance contracts affecting the Premises for which Tenant may be obligated or liable for; (x) there are no delinquent or outstanding assessments, liens, taxes, or other impositions levied or assessed against the Premises; (xi) there is no pending or threatened lawsuit, claim, or legal proceeding against Landlord or the Premises that could affect the Tenant's rights under this Lease or the Landlord's ability to perform Landlord's obligations hereunder; (xii) except for this Lease, there are no leases, options to purchase, license agreements or other third party rights to use or possess the Premises (or any portion thereof), whether written or oral, recorded or unrecorded; (xiii) Landlord is not in the hands of a receiver nor is an application for such a receiver pending; (xiv) Landlord has made no assignment for the benefit of creditors, nor filed, or had filed against it, any petition in bankruptcy; and (xv) within five (5) days after the Effective Date, Landlord shall provide copies of the following documents with respect to the Premises in Landlord's possession: any notices of any statute or code violation; all "Phase I" and other environmental assessment reports; surveys of the Land; title insurance policy or title opinion; and any governmental permits or approvals.

(c) Tenant shall retain title to and be the legal and beneficial owner of the Solar Generating Facility at all times. Landlord shall provide timely notice of Tenant's title and sole ownership of the Solar Generating Facility to all persons that have, or may come to have, an interest in or lien upon the real property comprising the Premises. Tenant shall be the exclusive owner of the electricity generated by the Solar Generating Facility and the Environmental Attributes (as hereinafter defined) and Environmental Incentives (as hereinafter defined) thereof. "Environmental Attributes" means the characteristics of electric power generation at the Solar Generating Facility that have intrinsic value, separate and apart from the generated energy, arising from the perceived environmental benefits of the Solar Generating Facility or energy generated at the Solar Generating Facility, including but not limited to all environmental and other attributes that differentiate the Solar Generating Facility or energy generated at the Solar Generating Facility from energy generated by fossil-fuel based generation units, fuels or resources, characteristics of the Solar Generating Facility that may result in the avoidance of environmental impacts on air, soil or water, such as the absence of emission of any oxides of nitrogen, sulfur or carbon or of mercury, or other gas or chemical, soot, particulate matter or other substances attributable to the Solar Generating Facility or the compliance of the Solar Generating Facility or energy generated at the Solar Generating Facility with the law, rules and standards of the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or any successor laws, rules or standards or crediting "early action" with a view thereto, or laws or regulations involving or administered by the Environmental Protection Agency or successor administration or any state or federal entity having jurisdiction over a program involving transferability of rights arising from Environmental Attributes. Without limiting the foregoing, "Environmental Attributes" includes green tags, renewable energy credits, tradable renewable certificates, portfolio energy credits, the right to apply for (and entitlement to receive) incentives under any demand-side management or energy efficiency programs offered by a utility company, a third-party provider, or other incentive programs

offered by the state and the right to claim federal income tax credits, if applicable. “Environmental Incentives” means all rights, credits (including tax credits), rebates, benefits, reductions, offsets, and allowances and entitlements of any kind, howsoever entitled or named (including carbon credits and allowances), whether arising under federal, state or local law, international treaty, trade association membership or the like, arising from the Environmental Attributes of the Solar Generating Facility or the energy generated at the Solar Generating Facility or otherwise from the development or installation of the Solar Generating Facility or the production, sale, purchase, consumption or use of the energy generated at the Solar Generating Facility.

26. **Brokerage Commission.** Neither Landlord nor Tenant knows of any real estate brokers or agents who are or may be entitled to any commission or finder’s fee in connection with this Lease. Each party hereto agrees to indemnify and hold the other party harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, fees for legal counsel and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party’s discussions, negotiations and/or dealings with any real estate broker or agent.

27. **Easements.** Landlord agrees to reasonably cooperate with Tenant in granting easements and rights of way on adjacent property owned by Landlord necessary to serve the Premises for the Tenant’s Intended Use. Landlord covenants and agrees that Landlord shall, upon the request of Tenant, join in the execution of any such easement. Landlord agrees to not unreasonably withhold Tenant’s request to grant such easements across, under and over the Premises as are necessary for rights of way, ingress and egress, and for the installation, construction, operation, maintenance, repair and replacement of utility lines and related facilities serving the Premises, including without limitation any such easements required to connect the Premises to a receiver of electric power generated at the Premises.

28. **Access.** Tenant, and Tenant’s employees, agents, contractors, guests, subtenants and designees shall have access to the Premises at all times after the Effective Date and during the Term. On and after the Construction Commencement Date, neither Landlord nor any agent of Landlord shall, without a Tenant representative, enter upon any portion of the Premises.

29. **Confidentiality.** Landlord acknowledges that Landlord may become privy to confidential information of Tenant, in addition to information regarding the terms of this Lease. Landlord therefore agrees, subject to Chapter 119 of the Florida Statutes, to take all steps to ensure that any information with regard to Tenant, Tenant’s Intended Use of the Premises (and improvements thereon) and/or this Lease, shall remain confidential and shall not be disclosed or revealed to outside sources by Landlord or by its employees, officers, agents, counsel, accountants or representatives, except as otherwise required by law or court order. The terms of this Section 29 shall survive the expiration or any sooner termination of this Lease.

30. **Estoppel.** Within fifteen (15) business days after written request therefor by Tenant, Landlord shall deliver a certificate to Tenant, Tenant’s lender (if applicable) and/or any proposed assignee of Tenant, in a commercially reasonable form, setting forth the terms of this Lease, the absence of default hereunder, and such other reasonable terms as may be requested by Tenant or by such lender or assignee. If the Landlord fails to respond within such fifteen (15) business day period, then, in addition to such failure constituting an event of default, all matters set forth in the estoppel certificate shall be deemed to be true, accurate and complete.

31. **Leasehold Mortgages.** Tenant and every successor and assign of Tenant is hereby given the right by Landlord, without Landlord’s consent, to mortgage its interest in this Lease and assign its

interest in this Lease as collateral security for such mortgage. If Tenant and/or Tenant's successors and assigns shall mortgage all or part of its interest in this Lease and if Tenant or the holder of such mortgage shall send to Landlord a true copy thereof together with written notice specifying the name and address of the mortgagee and the pertinent recording data with respect to such mortgage, Landlord agrees that so long as the leasehold mortgage remains unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions shall apply:

(a) Landlord shall, upon serving Tenant with any notice of default, simultaneously serve a copy of such notice upon the holder of the leasehold mortgage. The leasehold mortgagee shall have the same period, after service of such notice upon it, to remedy or cause to be remedied the defaults complained of, and Landlord shall accept such leasehold mortgagee's acts if they had been performed by Tenant.

(b) Landlord agrees that in the event of termination of this Lease by reason of any default by Tenant, that Landlord will enter into a new lease for the Premises with the leasehold mortgagee or its nominee for the remainder of the Term effective as of the date of such termination, at the rent and other charges, and upon the terms, provisions, covenants and agreement contained in this Lease, provided:

(i) the mortgagee or its nominee shall pay to Landlord, at the time of execution and delivery of the new lease, any and all sums which would then be due pursuant to this Lease but for such termination; and

(ii) the mortgagee or its nominee shall perform and observe all covenants in this Lease to be performed by Tenant and shall further remedy any other conditions which Tenant was obligated to perform under the terms of this Lease.

(c) Landlord shall, upon request, execute, acknowledge and deliver to each leasehold mortgagee an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to the leasehold mortgagee and to Landlord, between Landlord, Tenant and the leasehold mortgagee confirming the provisions of this Section 31.

The term "mortgage," as used in this Section 31, shall include mortgages, deeds of trust and/or whatever security instruments are used in the State in which the Premises are located from time to time, as well as financing statements, security agreements and other documentation required pursuant to the Uniform Commercial Code.

33. **Bankruptcy.** In the event (i) the Premises or any rights therein shall be levied on by execution or other process of law by a creditor of either party, (ii) if either party shall be adjudged bankrupt or insolvent, (iii) if any party has a petition in bankruptcy filed against it, and such petition is not dismissed within ninety (90) days after the filing thereof, (iv) if any receiver shall be appointed for the business and property of either party, or (v) if any assignment shall be made of either party's property for the benefit of creditors, thereby diminishing any right or privilege granted by this Lease to the other party, then the other party may terminate this Lease forthwith and otherwise exercise any other remedy it may have at law or equity or under this Lease.

34. **Nature and Extent of Agreement/Amendments.** This Lease contains the complete agreement of the parties regarding the terms and conditions of the lease of the Premises, and there are no oral or written conditions, terms, understandings or other agreements pertaining thereto which have not been incorporated herein. This Lease creates only the relationship of landlord and tenant between the parties as to the Premises; and nothing in this Lease shall in any way be construed to impose upon either

party any obligations or restrictions not expressly set forth in this Lease. No amendment or modification of this Lease shall be binding unless in writing and duly executed by both parties.

34. **Counterparts**. This Lease may be executed in any number of counterparts, each of which shall be deemed an original once executed and delivered.

[REMAINDER OF PAGE BLANK. SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease by authority duly given, as of the day and year first above written.

**LANDLORD:
FLORIDA A&M UNIVERSITY
BOARD OF TRUSTEES**

By: _____
Larry Robinson, President

STATE OF FLORIDA

COUNTY OF LEON _____

I, _____, a Notary Public for _____ County, Florida, certify that Larry Robinson a President for Florida A&M University for and on behalf of the Florida A&M University Board of Trustees, either being personally known to me or proven by satisfactory evidence, personally appeared before me this day and acknowledged the voluntary due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public
Printed/Typed Name: _____

My Commission Expires: _____

[AFFIX NOTARIAL STAMP OR SEAL]

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease by authority duly given, as of the day and year first above written.

TENANT:

DUKE ENERGY FLORIDA, LLC
d/b/a Duke Energy

By: _____

Name: Daniel Hendricks

Title: Manager Real Estate Transactions

STATE OF FLORIDA

COUNTY OF _____

I, _____, a Notary Public for _____ County, Florida, certify that DANIEL HENDRICKS, either being personally known to me or proven by satisfactory evidence, personally appeared before me this day and acknowledged that he is the Manager Real Estate Transactions of DUKE ENERGY FLORIDA, LLC, a Florida limited liability company d/b/a Duke Energy, and that he, as Manager Real Estate Transactions, being authorized to do so, voluntarily executed the foregoing instrument on behalf of the limited liability company in the capacity indicated.

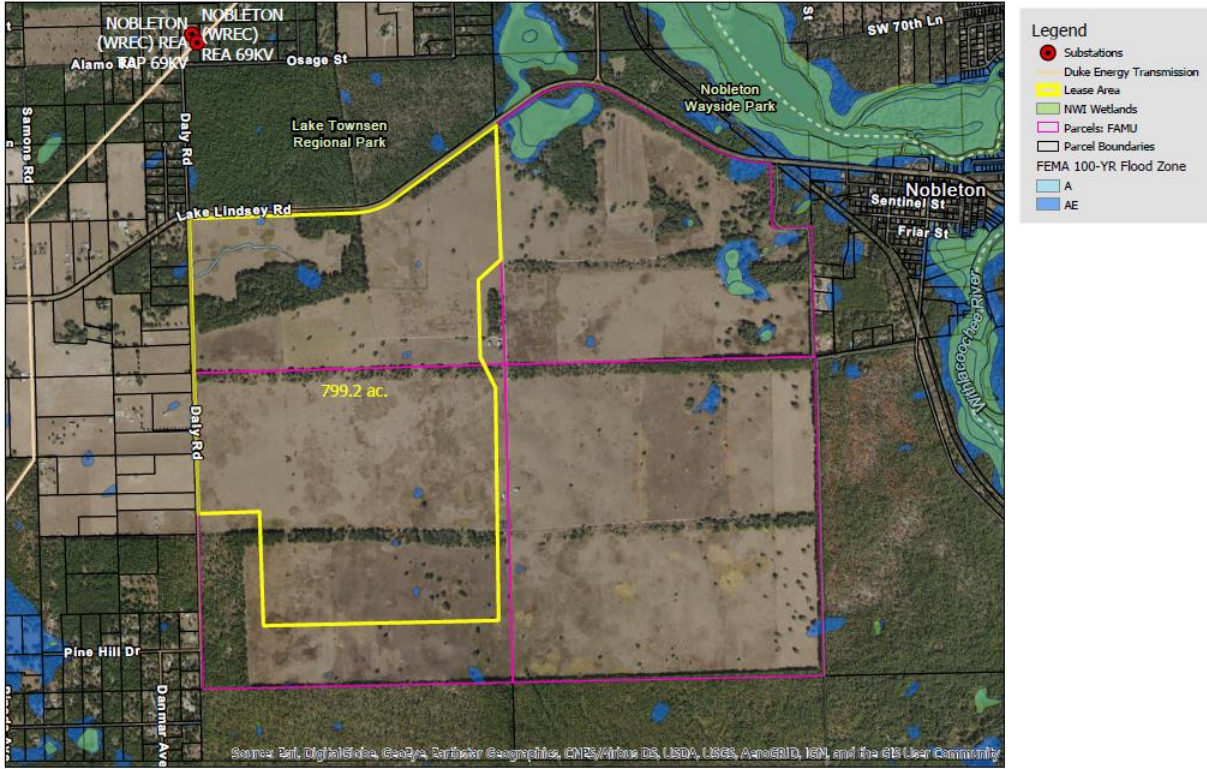
WITNESS my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public
Printed/Typed Name: _____

My Commission Expires: _____

[AFFIX NOTARIAL STAMP OR SEAL]

EXHIBIT A



**Florida Agricultural and Mechanical University
Board of Trustees**



**V.
Approval of
Carry-Forward Budget (5% BOT Requirement)**

**Florida Agricultural and Mechanical University
Board of Trustees**



Meeting Date: March 6, 2019

Agenda Item: V

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other <input checked="" type="checkbox"/> _____	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject: Approval of Carry-Forward Budget (5% BOT Reserves) Distribution

Rationale:

The 5% reserve amount currently totals \$8,869,385 and is in addition to the 5% Statutory Reserve Requirement which is \$8,869,385. The staff is recommending for consideration distribution of the 5% BOT Reserve to support existing priorities.

Proposed Facilities/Infrastructure Projects	
Campus Wide Water and Sewer Improvements	1,300,000
Campus Wide Electrical Distribution Upgrade	1,000,000
Roofing (Lee Hall, Pool Locker Room)	1,200,000
Lee Hall Improvements and Upgrade (A/V, Lighting, and Draperies)	100,000
Research Equipment Replacement (Research Buildings)	275,000
Steam Building Connections	175,000
Second Return Well (Chilled Water)	850,000
Building Boiler Replacements	350,000
Campus Wide Smart Classroom Upgrades	700,000
Fire Alarm System Upgrades	500,000
Steam Distribution Repairs	75,000
Sub-Total	6,525,000
Research Infrastructure Enhancements	
Establish cutting edge research laboratories	1,000,000
Sub-Total	1,000,000
Student Services Support	
*Oracle Student Financial Planning Cloud Service Software	500,000
**Salesforce Customer Relation Management System	500,000
***Kognito Annual Licensing Cost	20,000
Update Telephones in Admissions and Financial Aid	20,000
Enrollment Management Software	95,000
Software and technology upgrades to enhance tracking of student progression	200,000
Sub-Total	1,335,000
Total	8,860,000

Florida Agricultural and Mechanical University Board of Trustees



NOTES

***Oracle Student Financial Planning Cloud Service: \$435,791 estimated**

- Increase responsible borrowing awareness
- Reduce Compliance and Audit risk
- Eliminate Reg and Leg update burden
- Impact retention goals
- Increase student success parameters impacting Florida performance metrics
- Automate 50-80% of current manually executed processes, saving time and increasing employee satisfaction while reducing errors, and improving services.

****Salesforce Customer Relation Management System: \$422,583**

This software application will allow increased interactions and communications with customer base to include Students, parents, alumni, and FAMU stakeholders. It can be used to automate and manage communications with customer base therefore reducing many manual processes. This will improve customer service and allow FAMU to recruit on a whole different level by leveraging technology.

<https://www.studyportals.com/blog/the-importance-of-customer-relationship-management-crm-systems-in-higher-education/>

*****KOGNITO Annual Licensing Cost: \$16,820**

Kognito offers the only commercially available solution that provides interactive, practice-based and evidence-based tools to rapidly and cost-effectively educate and mobilize the student community. (Tutorial System).

Recommendation:

The staff recommends approval of the proposed distribution of the 5% BOT Reserve.

**Florida Agricultural and Mechanical University
Board of Trustees**



**VI.
Approval to
Amend Policy #2006-04 (P-Card language change)**

Florida Agricultural and Mechanical University Board of Trustees



Meeting Date: March 6, 2019

Agenda Item: VI

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____	
Resolution _____	Contract _____	Grant _____	Other <u> X </u>	

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

Subject:

Approval to Amend Policy #2006-04 (P-Card Language Change)

Rationale:

The proposed revision will allow P-Card holders adequate time to reconcile receipts 7 business days (instead of 7 calendar days) after expense date (for general purchases) or after the return date (for travelers). NOTE: An excerpt of the section with the proposed change is shown below with strikethroughs and additions.

Recommendation:

It is recommended that BOT Policy #2006-04 be amended to reflect a reconciliation period of 7 business days (instead of 7 calendar days) after the expense date (for general purchases) or after the return date (for travelers).

IV. Responsibilities

- A. Cardholder Responsibilities – An individual who is assigned a PCard has been granted the privilege to spend the University’s funds for business-related expenses without the pre-transaction review. This privilege requires a signed agreement by the cardholder attesting to his/her commitment and responsibility to comply with the terms and conditions of this policy, as the cardholder acts as a purchasing agent for the University and is issued a PCard associated with his or her official University duties.

The PCard holder is responsible for:

1. Within seven (7) ~~calendar~~ business days of the transaction or after the return date, provide sufficient documentation including original receipts and explanation of the business purpose of the purchase, in terms easily understood by an internal or external reviewer.

**Florida Agricultural and Mechanical University
Board of Trustees**



**VII.
Approval of Budget Amendment for Housing
Repairs**

Florida Agricultural and Mechanical University Board of Trustees



Meeting Date: March 6, 2019

Agenda Item: VII

Item Origination and Authorization				
Policy _____	Award of Bid _____	Budget Amendment_X____	Change Order_____	
Resolution _____	Contract _____	Grant _____	Other _____	

Action of Board				
Approved_____	Approved w/ Conditions _____	Disapproved _____	Continued_____	Withdrawn _____

Subject:

Approval of Budget Amendment for Housing Repairs (Additional Budget Authority for Gibbs Hall Emergency Corrective Action Plan)

Rationale:

Fund 601 - Inspection of Gibbs Hall has indicated there is a public safety hazard. The additional budget authority is being requested to address the existing structural related concerns. The attach reports includes the findings and recommendations for repair that will restore and enhance the structural integrity of Gibbs Hall. The dollars will be provided from the Housing Repairs and Replacement Reserves.

Recommendation:

It is recommended that the Board of Trustees approve the additional budget authority for the Housing R&R Fund.

Attachments:

Letter from JRA Architects, Inc. with estimated costs for design fees.



February 19, 2019

Craig Talton, Director
Facilities Planning and Construction
Florida A&M University
2400 Wahnish Way
Tallahassee, Florida 32307-6400

**RE: GIBBS HALL CORRECTIVE WORK
FLORIDA A&M UNIVERSITY
JRA #17758 C/AC**

Dear Craig,

Per our conversation and site visits of 2/11/19 and 2/15/19, JRA Architects is presenting our fee proposal for the corrective work on the lower level floor slab on the north section of Gibbs Resident Hall.

Project Scope:

It is JRA's understanding that the project involves the replacement of the lower level floor slab in the north wing of Gibbs Hall. The slab is approximately 4,100 sf and is elevated over an unfinished crawl space. This will involve re-routing of the building's utilities so the remaining floors can remain occupied and the complete demolition and reconstruction of all resident rooms sitting on the slab being replaced. It is also our understanding, that the floor will be unoccupied by the end of this month and will not be occupied again until the Fall of 2020.

Without further and detailed investigation of the existing conditions, the exact scope, and therefore cost, cannot be accurately determined at this time. Therefore, this proposal is limited to the following assumptions:

- All demolition and new work will be confined to the 4,100-sf area of lower level slab of the north wing of Gibbs Hall.
- The design and temporary re-routing of utilities is only as needed due to the work being done on the lower level slab, utility work in other areas are not included in this proposal.
- While the new construction will be in compliance with current Florida Building code requirements, this proposal does not include bringing any building systems up to current codes. This includes, but is not limited to, sanitary system, electrical systems, HVAC systems, fire alarm, fresh air systems, building sprinkler systems, data and communication systems.

Due to the numerous unknown existing conditions, the age of the building and the amount of water intrusion noticed on our site visits, JRA believes it is important that the University understands that as the investigation, design and construction continues, the project scope may possibly be required to expand due to discovery of unknown conditions

A/E Fee Schedule:

A preliminary review of the project scope indicates a project budget of approximately \$1.0 million to \$1.3 million for temporary utility re-routing and the rebuilding of the slab and rooms above on the lower level only. The design cost for this work is as follows:

Architectural Service	\$ 63,500
MEP Services	\$ 59,000
Structural Services	\$ 33,000
Measured Drawings- Lump Sum	\$ 10,500
Total Cost	\$165,500

If you have any questions or require additional information, please feel free to contact our office at your earliest convenience.

JRA ARCHITECTS, INC.



David Vincent, AIA, LEED® Accredited Professional
President

CC: File

**Florida Agricultural and Mechanical University
Board of Trustees**



INFORMATION ITEM

IX. Budget Development Overview

**Florida Agricultural and Mechanical University
Board of Trustees**



MEMORANDUM

TO: Provost, Vice Presidents, Deans, and Directors
FROM: Ronica Mathis, University Budget Director
SUBJECT: Process and Preparation of 2019-2020 E&G Operating Budget Requests
DATE: January 31, 2019

Below is the process for the development of the 2019-2020 University budget:

1. Pursuant the University Budget Office Policies and Procedures 3.2, the following strategic priorities have been identified for 2019-2020:
 - a. Enhancing Student Success
 - b. Excellent and Renowned Faculty
 - c. High Impact Research, Commercialization, Outreach, and Extension Services
 - d. Transformative Alumni, Community, and Business Engagement
 - e. First-Class Business Infrastructure
 - f. Outstanding Customer Experiences
2. Each unit head must submit its budget request for 2019-2020 along with a list of its priorities, goals, and objectives to the Budget Office **no later than February 28, 2019**. These priorities and goals and objectives must be consistent with the priorities, goals, and objectives set forth by the President, and must be used to guide the development of your budget request. The planning document should be no more than five (5) pages. Please consider the following topics and have quantitative data with examples as they apply to your unit:
 - a. An explanation of what you accomplished with the funds provided for 2018-2019.
 - b. A description of your continuing efforts to meet the ten performance metrics and the University's strategic mission of becoming a best in class, land grant, doctoral, research university.
 - c. A listing of the major concerns that you face for the next fiscal year. Please highlight elevated risks, vulnerabilities, or possible disruptions to your unit that could adversely affect your programs or FAMU's reputation.
 - d. A brief overview of your staffing goals as well as strategic goals for the coming year. All personnel changes must be cleared with the Human Resources office and factored into the cost and budget for the fiscal year 2019-2020.

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Board of Trustees**



e. Opportunities for significant new or modified programs, policies, or processes, including the potential for interdisciplinary collaboration should be identified. Also include the programs and processes you plan to eliminate or reduce over the next three years to achieve cost savings each year.

f. Please provide a statement of any quality improvement(s) made in your academic programs or administrative services within the last year.

3. In anticipation of receiving your budget and planning documents, we will schedule an individual meeting with each of you and your business manager. The budget planning review team will include the president, the provost, two vice provosts, the assistant vice president of Academic Affairs, the vice president for Finance & Administration, the vice president of Strategic Planning, a faculty representative, and the budget director.

4. The President approves all of the preliminary budget requests. The Budget Office prepares the Preliminary Operating Budget to be presented to the Budget and Finance Committee for approval. Upon the approval of the Budget and Finance Committee, the Operating Budget is presented to the BOT for approval.

5. The Budget Office submits approved Operating Budget to the Board of Governors for final approval in August.

**Florida Agricultural and Mechanical University
Board of Trustees**



MEMORANDUM

TO: Provost, Vice Presidents, Deans and Directors

FROM: Ronica Mathis, University Budget Director

SUBJECT: Process and Preparation of 2019-2020 Non-E&G Operating Budget Requests

DATE: January 31, 2019

This memorandum outlines the process for the development of the University's 2019-2020 non E&G budgets. The operating budget requests will be developed by Directors and their respective Vice Presidents and submitted to the Budget Office.

1. Requests are to be returned to the Budget Office no later than February 28, 2019.
2. In anticipation of receiving your budget and planning documents, we will schedule an individual meeting with each of you and your business manager.
3. The budget planning review team will include the provost, two vice provosts, the assistant vice president of Academic Affairs, the vice president for Finance & Administration, a faculty representative, and the budget director.
4. Approved operating budgets will be posted in PeopleSoft by July 8, 2019.
5. After approval by the University Board of Trustees, the final operating budget will be submitted to the Board of Governors for approval in August, 2019.

The guidelines are listed below:

- For fiscal year 2019-2020, ending fund balances are to be no less than ending fund balances for 2018-19. When the ending fund balances are reduced, an explanation is to be provided. In activities where deficit fund balances currently exist, a plan should be presented for eliminating the deficit.
- Actual salaries and benefits requirements for your filled positions are determined by the Budget Office. The Actual Rate for each filled position is used, and adds the actual benefits for each respective filled position. For the unfilled positions, the rate is multiplied by the following benefit factors to come up with the required salary dollars:

A&P Positions - 1.31

USPS Positions - 1.43

Faculty Positions - 1.35

Florida Agricultural and Mechanical University Board of Trustees



Executive Positions - 1.26

If a vacant position will not be filled at July 1, 2019, you will need to prorate the required salary and benefit dollars.

- Administrative Expense is to be calculated at six percent of estimated expenditures.

Auxiliary activities that have facilities with bond indebtedness are to comply with requirements for dollars to be deposited in Facility Maintenance and Equipment Reserves. For other auxiliary activities with facilities 3 percent of estimated revenues will be deposited in the facilities reserve. These reserves shall be used for (a) unusual or extraordinary maintenance or repairs, renewals, and replacements, (b) the renovation or replacement of equipment and furnishings not paid as part of ordinary and normal expenses of the operation and maintenance of the facility, and (c) any other expenditure authorized by bond covenants. (See the attached worksheet showing the entities required to maintain the Facility Maintenance and Equipment Reserve.)

Forms and Reports included in Package

1. **Bud Form I-** Operating Budget Request Summary. The Budget Office has completed columns B, C and D which consists of the approved budget including amendments. An estimate through June 30, 2019 has been provided in column D. This estimate is based on the actual revenues and expenses that were posted in PeopleSoft as of January 31, 2019 in column C, plus a projection for the remaining months in this fiscal year. Changes should be made as needed to reflect your best estimate as of June 30, 2019 in Column D. Column E will represent your budget request for fiscal year 2019-20. **Note: This form will be populated from the information provided on Budget Forms II, III, and the rate report.**
2. **Bud Form II-** Revenue Projections for FY 2019-2020. Please show all calculations and explain your projection thoroughly. **(Those departments using student enrollment in your revenue estimates should use 10,800 for Fall 2019 and 9,720 for Spring 2020. The Budget Office will provide the calculations for A&S Fees, Athletic Fee, Health Fee and Technology Fee.)**
3. **Bud Form III-**Detail of expenses requested for FY 2019-2020.
4. **Salaries and Benefits Projection-** Show the total FTE and Salary Rate from positions and rate information provided. For each new position or position reclassification and promotion planned in 2019-2020, complete the position detail form.
5. **Rate Report-**Annualized detail of positions, rate, and salary budget.
6. **Bud Admin Res-** This report provides a listing of departments required to include the Administrative Expenses and Facility Maintenance and Equipment Reserve assessments in their operating budgets.

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- 7. Explanations-** Use this form to provide additional explanations for any category that has been increased or decreased by 25% or more. Please be concise with your explanations, feel free to use as many pages as you need.
- 8. Other**
- a. A handout for mandatories will be forwarded to you by e-mail
 - b. If a budget unit/activity (i.e. Housing) has more than one department, please provide a worksheet to detail each departments operating budget by category of expenditures for FY 2019-2020.
 - c. Current Year Operations- Each department must make the necessary budget amendments to eliminate any negative balances for the FY2018-19.

While this should be a rare event, departments requesting the establishment of new auxiliary activities for 2019-20 should complete the above forms also, along with a new department form.

If you need any blank forms or assistance, please contact Nichole Reese in the Budget Office at 561-2121.

**Florida Agricultural and Mechanical University
Board of Trustees**



**INFORMATION ITEM
X. Financial Status Report / Cost Savings**

Florida Agricultural and Mechanical University Board of Trustees



**Florida A&M University
Financial Status Report, as of December 31, 2018**

Revenues

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD (A)	Year End est
E&G														
Budget	8,321,855	39,970,455	8,800,082	7,654,119	7,508,610	7,777,281	36,632,710	7,946,438	11,685,955	11,332,758	18,483,959	11,382,468	80,027,402	177,387,690
Actual/ Forecast	4,135,377	38,819,061	12,451,027	7,541,293	7,620,142	7,895,592	35,714,229	7,674,576	11,602,106	11,652,347	18,442,163	11,652,349	78,462,492	175,495,267
	50%	97%	141%	99%	103%	102%	102%	97%	102%	102%	103%	102%	102%	99%
Contracts & Grants														
Budget	1,854,300	6,918,673	4,430,843	8,179,451	4,583,546	5,024,434	4,861,365	3,251,365	5,835,450	3,421,233	8,000,207	5,165,041	30,990,247	61,524,908
Actual/ Forecast	1,856,939	4,767,746	4,668,410	4,352,074	5,132,563	3,158,725	3,989,410	3,989,410	3,989,410	3,989,410	3,989,410	3,989,410	27,925,857	47,873,917
	100%	68%	105%	53%	112%	63%	82%	123%	68%	117%	50%	77%	90%	78%
Housing														
Budget	444,132	8,994,932	(85,004)	(38,492)	(582)	(1,854)	9,019,505	3,696	(29,777)	(2,542)	366,966	0	9,312,152	18,670,000
Actual/ Forecast	423,832	7,643,129	(53,869)	97,078	(9,893)	(2,493)	7,566,698	0	0	0	382,156	0	8,097,804	16,046,658
	95%	85%	0%	0%	0%	0%	84%	0%	0%	0%	104%	0%	87%	86%
Athletics														
Budget	131,989	2,103,925	165,674	585,328	602,275	976,533	2,194,435	504,353	27,240	315,166	1,214,330	1,182,705	4,565,424	10,003,653
Actual/ Forecast	(843,713)	2,493,126	531,947	1,122,610	128,717	727,507	2,406,867	697,518	697,518	697,518	697,518	697,518	4,160,194	10,003,651
	-639%	115%	321%	192%	21%	74%	110%	136%	2524%	218%	57%	58%	91%	100%
Auxiliaries														
Budget	249,918	5,403,327	1,229,255	574,782	1,028,305	368,868	5,273,286	438,306	674,358	622,903	1,166,525	662,444	8,854,455	17,689,277
Actual/ Forecast	662,256	4,318,467	1,490,555	760,903	749,744	409,277	4,210,505	803,009	803,009	803,009	1,295,540	803,009	8,391,202	17,109,283
	265%	80%	121%	132%	73%	111%	80%	183%	120%	129%	111%	0%	95%	97%
Other Fee Revenue (inc. A&S, Tech Fees)														
Budget	388,197	1,925,098	59,861	15,591	317,725	13,015	1,818,425	145,332	21,996	(1,895)	489,244	78,015	2,719,487	5,270,604
Actual/ Forecast	121	2,429,085	88,871	48,161	149,957	26,116	2,344,019	29,039	29,039	29,039	364,355	29,039	2,742,261	5,566,791
	0%	126%	148%	309%	47%	203%	129%	20%	132%	-1322%	74%	0%	103%	106%
Financial Aid/Grant Revenue (inc. Fed, State, Fin Aid Fee, Foundation)														
Budget	2,434,585	4,337,737	10,682,678	2,438,737	1,521,969	1,414,935	11,799,074	4,734,091	1,494,088	1,602,050	593,287	3,856,769	22,830,641	46,910,000
Actual/ Forecast	873,044	4,525,285	1,272,662	8,732,868	833,472	1,841,829	11,750,000	4,500,000	832,290	832,290	832,290	832,290	18,079,160	37,658,320
	36%	104%	12%	358%	55%	130%	100%	95%	56%	52%	140%	22%	79%	80%
Total Revenue	13,824,976	69,653,847	25,282,389	19,408,516	15,561,848	15,568,232	71,598,800	16,923,581	19,706,310	17,285,673	30,314,518	22,327,442	159,299,808	337,456,132
Actual/ Forecast	7,107,856	64,995,949	20,449,603	22,654,987	14,604,662	14,056,613	67,977,727	17,688,552	18,243,372	17,993,613	25,991,438	17,993,615	143,869,570	309,753,888
	51%	93%	81%	117%	94%	90%	95%	104%	93%	104%	86%	81%	90%	92%
Operating Expenses														
Salaries, Benefits & OPS														
Budget	5,997,309	13,906,380	22,465,849	16,083,693	16,703,103	15,509,694	15,615,052	16,867,106	24,247,818	16,573,958	14,551,811	6,751,599	90,646,028	185,253,372
Actual/ Forecast	5,004,322	17,289,559	13,962,927	12,964,578	13,571,674	14,207,062	14,079,256	15,839,163	21,378,791	15,839,163	12,579,256	19,163,233	76,990,122	175,868,986
	83%	124%	62%	76%	81%	92%	90%	94%	88%	96%	86%	284%	85%	95%
Risk Mgmt & Other Insurance														
Budget	1,115,148	47,000	310,062	9,087	78,942	208	358,740	63	79,542	59,286	927	59,312	1,560,447	2,118,317
Actual/ Forecast	2,071,185	78,451	49,068	227,535	168,220	372	299,815	299,815	299,815	299,815	299,815	299,815	2,894,646	4,393,721
	186%	167%	16%	2504%	213%	0%	84%	473897%	377%	500%	32343%	0%	186%	207%
Scholarships														
Budget	1,241,336	938,775	17,296,790	3,179,445	1,597,789	724,629	17,223,138	3,296,738	1,132,818	775,651	2,865,746	285,973	24,978,763	50,668,827
Actual/ Forecast	1,319,702	1,458,611	21,339,356	2,870,577	1,210,378	622,825	21,000,000	2,910,714	1,455,357	727,679	3,000,000	727,679	28,821,429	58,642,858
	106%	155%	123%	90%	76%	86%	122%	88%	128%	101%	101%	246%	115%	116%
Consolidated Budget Expenses	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	7,830,120	46,980,720	93,961,440

Florida Agricultural and Mechanical University Board of Trustees



**Florida A&M University
Financial Status Report, as of December 31, 2018. Cost Savings Impact.**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD (A)	Year End est.	Savings thru CYR 2	Year End Est.
Utilities & Telephone	806,799	(435,224)	1,435,745	139,968	1,559,000	1,266,563	795,475	795,475	795,475	795,475	795,475	795,475	4,772,851	9,545,701		
Travel	293,761	228,076	397,884	451,756	424,256	686,176	413,652	413,652	413,652	413,652	413,652	413,652	2,481,909	4,963,818		
Repairs & Maintenance	849,573	426,180	1,092,081	552,848	668,263	306,102	649,175	649,175	649,175	649,175	649,175	649,175	3,895,047	7,790,097	196,783	363,566
Materials & Supplies	631,918	327,576	842,413	848,386	742,061	502,010	649,061	649,061	649,061	649,061	649,061	649,061	3,894,364	7,788,730	69,335	188,670
IT Services	780,600	408,712	391,496	388,716	455,095	1,083,115	584,622	584,622	584,622	584,622	584,622	584,622	3,507,734	7,015,466	47,262	94,524
Research Grant-Subrecipients	997,413	(432,825)	807,000	849,101	500,784	194,147	485,937	485,937	485,937	485,937	485,937	485,937	2,915,620	5,831,242		
Other Contractual Services	1,028,915	149,302	696,943	660,329	838,186	621,305	664,163	664,163	664,163	664,163	664,163	664,163	3,984,880	7,969,958		
Furniture, Equip & Library Res	197,450	1,206,060	219,663	1,031,039	191,167	578,579	570,660	570,660	570,660	570,660	570,660	570,660	3,423,958	6,847,918		
Other Operating Expense	526,739	(54,473)	894,946	828,550	424,264	220,184	473,370	473,370	473,370	473,370	473,370	473,370	2,840,220	5,680,440		
Subtotal	6,113,168	1,823,394	6,778,171	5,740,693	5,803,076	5,458,191	5,286,115	5,286,115	5,286,115	5,286,115	5,286,115	5,286,115	31,716,683	63,433,370	433,732	867,464
															1%	1%
															31,716,683	63,433,370

Florida Agricultural and Mechanical University Board of Trustees



NOTES:

- Revenue classification is based on BOG-determined budget entities, which are the lowest unit to which funds are specifically appropriated in the appropriations act**
- * Education and General "E&G": includes General Revenue Appropriation, student tuition revenue and Educational Enhancement "lottery" revenue
 - * Contracts and Grants: contains revenue received in support of research, public service and training provided by awards from federal, state, local and private sources; also includes revenues received from the FAMU Foundation, and funds provided by the FL Dept of Education for FAMU DRS
 - * Housing: revenues generated by the University Housing system
 - * Athletics: revenues generated by the University Athletics program, including those derived from the student athletic fee
 - * Auxiliaries: includes revenue provided by ancillary support units on campus, such as food service, bookstore, and health services; also includes revenue generated from Material & Supply fees
 - * Other Fee Revenue: includes revenues from Activity and Service "A&S" fees which fund student activities and student government; concessions, which are revenues generated from various campus vending machines; and Technology fees, which is a student fee that provides resources for instructional technology
 - * Financial Aid/Grant Revenue: includes revenues received from federal, state, financial aid fee and FAMU Foundation
 - * Tuition-driven revenues customarily experience peaks during fall and spring term activity
- Operating Expense classification is based on the University's financial statements as defined by GASB Statement No. 35**
- * Scholarship expense includes amounts disbursed for grants, scholarships and other financial aid, as well as waivers
 - * A significant portion of operating expense is budgeted as a lump sum per BOG operating budget requirements
 - * Fluctuations in utilities/telecom expense are caused by irregular timing of payments
- Other Sources (Uses) of cash provide non-operating financial activity**
- * Other sources of funds include Public Education Capital Outlay "PECO" funding and Capital Improvement Trust funds, which provide resources for fixed capital outlay programs. Such capital projects are budgeted by project, on a multi-year basis compared to a fiscal year. Cash is drawn down as expenditures occur.
 - * Other sources include renovation and reserve ("R&R") funds, which are transferred out of auxiliary-type units at 3% annually; these funds are available for major renovation and repairs
 - * Other sources include debt proceeds which will be made available and drawn from the HBCU Capital Financing Program
 - * Other sources also include "Carryforward", which are residual, unspent funds from prior year appropriations
 - * Non-operating expense includes debt service payments for the University's obligations on its capital improvement debt issued for Housing and Parking, as well as capital leases secured for energy savings contracts and other capital equipment financing
 - * Capital expenditures include furniture and equipment costing greater than \$5,000, also called "OCO", Operating Capital Outlay; construction and major renovation expense

Cost savings as calculated for BOG-required shared services reporting and is based on purchase orders issued

Additional definitions can be found at the Board of Governors' website:
<http://www.flbog.edu/board/office/budget/glossary.php>
http://www.flbog.edu/board/office/budget/accounting_glossary.php

**Florida Agricultural and Mechanical University
Board of Trustees**



INFORMATION ITEM
XI. Student Write-Off and Property Write-Off

**Florida Agricultural and Mechanical University
Board of Trustees**



Florida Agricultural and Mechanical University

TALLAHASSEE, FLORIDA 32307-3200

TELEPHONE: (850) 561-2273
FAX: (850) 561-2461

OFFICE OF THE CONTROLLER
& STUDENT FINANCIAL SERVICES
201 FHAC

To: Dr. Larry Robinson, University President

Thru: Dr. Wanda Ford, CFO & VP, Finance and Administration

From: Tiffany Holmes, University Controller & AVP

RE: **Request Approval for Write-off of Student Accounts**

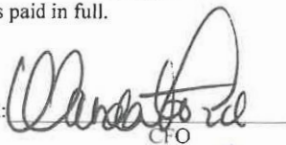
Date: January 30, 2019

Pursuant to Florida Statutes 1010.03 and Board of Trustees Regulation 3.019, approval is requested to write-off the following uncollectible accounts and immaterial accounts. Uncollectible Accounts Receivables include accounts received that were placed with collection agencies and returned as uncollectible. Immaterial Accounts Receivable includes student's accounts that are less than \$100.00 and not currently enrolled with the University. The combined total of both account receivables include the write-offs for this year.

Uncollectible Accounts Receivable	\$ 299,054.00
Immaterial Accounts Receivable	<u>\$ 2,354.08</u>
Total Write-Offs	\$ 301,408.08

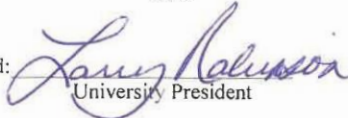
Upon your approval, we will place permanent "Holds" on the records of these students. The Holds will prevent release of University records (transcripts, diplomas, etc.) and/or subsequent registration efforts until the debt is paid in full.

Approved:


CFO

2/6/19
Date

Approved:


University President

2/10/19
Date

Attachment

Cc: D'Andrea Cotton, Associate Controller
Danyell Conner, Assistant Controller
Natasha Ray, Assistant Controller

Florida Agricultural and Mechanical University Board of Trustees



Student Account Write-Off Summary, FY 2018-19

Uncollectable Accounts

Activity & Service Fees	\$ 8,249.75
Athletic Administration	\$ 10,967.75
Biology - Material/Supplies Fe	\$ 120.00
Book Voucher Program	\$ 830.91
Capital Improvement-Board Of R	\$ 2,947.36
Cash Holding Account.	\$ 22,489.19
Cropper Hall	\$ 1,577.00
Dist Learning - Public Health	\$ 10,153.76
FAMU Village.	\$ 6,313.02
Food Service-Meal Plan	\$ 11,101.67
Gibbs Hall	\$ 2,333.00
Health Service - Pharmacy	\$ 599.87
Hosp O&M St Hlth Cl	\$ 4,607.64
Housing Office	\$ 553.86
Lab Fee - Chemistry	\$ 90.00
Library Books	\$ 234.30
Material & Supply Fee - Comput	\$ 30.00
McGuinn Hall	\$ 2,526.97
Orientation Fee	\$ 295.00
Paddyfote Complex	\$ 4,293.72
Palmetto Street - Phase 3	\$ 1,800.00
Palmetto Street Apts.-North	\$ 100.00
Palmetto Street Apts.-South	\$ 1,806.69
Postal Service	\$ 115.00
Regents Emergency Loan	\$ 498.00
Sch.Need Base-Financial Aid Fe	\$ 6,182.09
Student Disciplinary Fines	\$ 350.00
Student Fee Trust Fund	\$ 174,416.44
Supply Fee - Graphic Arts	\$ 15.00
Technology Fee	\$ 2,706.79
Transcript Fee	\$ 20.00
University Commons	\$ 12,411.01
University Parking Services	\$ 5,976.31
University Rattler Card	\$ 744.77
Wheatley Hall	\$ 1,222.13
Young Hall	\$ 375.00
	\$ 299,054.00

Immaterial Amounts

Activity & Service Fees	\$ 38.71
Athletic Administration	\$ 51.47
Athletic Scholarship	\$ 14.40
Cash Holding Account.	\$ 77.25
FAMU Village.	\$ 25.00
Health Service - Pharmacy	\$ 169.01
Hosp O&M St Hlth Cl	\$ 54.42
Incidental Funded Salary	\$ 412.51
Library Books	\$ 38.10
Palmetto Street - Phase 3	\$ 25.00
Palmetto Street Apts.-South	\$ 75.00
Sch.Need Base-Financial Aid Fe	\$ 19.82
Student Fee Trust Fund	\$ 403.34
Transcript Fee	\$ 20.04
University Commons	\$ 25.01
University Parking Services	\$ 875.00
University Rattler Card	\$ 30.00
	\$ 2,354.08

Total Student Account Write-Off **\$ 301,408.08**

Student Account Write-Off Comparison

	FY 2018 Total	FY 2019 Total
Activity & Service Fees	285,398.11	8,288.46
Athletic Administration	377,103.06	11,019.22
Athletic Scholarship		14.40
Auxiliary Overhead	50.00	
Biology - Material/Supplies Fe	2,094.84	120.00
Book Voucher Program	103,798.79	830.91
Building Fees-Board Of Regents	2,029.50	
Capital Improvement-Board Of R	39,246.99	2,947.36
Cash Holding Account.	1,783.87	22,566.44
Collection Agency Fee	27.75	
Cropper Hall	151,620.30	1,577.00
Diamond Hall	37,322.66	
Dist Learning - Public Health	33,700.00	10,153.76
Distance Learning - MBA	92,360.00	
Distance Learning - Nursing	23,924.00	
FAMU Child Care Center	699.08	
FAMU Village.	51,235.12	6,338.02
Federal Pell Grant Program 200	975.00	
Federal Perkins Loan (NDSL)	3,987.87	
Financial Aid Disbursement	1,866,439.32	
Financial Aid Fee	8,808.49	
Food Service-Meal Plan	1,647,228.69	11,101.67
Gibbs Hall		2,333.00
Guarantee Payment Of Fees	23,416.42	
Health Service - Pharmacy	26,321.98	768.88
Hosp O&M St Hlth Cl	161,264.43	4,662.06
Housing Office	63,066.40	553.86
Lab Fee - Chemistry	1,445.25	90.00
Law School Bar Prep Fee	356,913.68	
Library Books	51,408.17	272.40
Material & Supply Fee - Comput	1,275.00	30.00
Material & Supply Fee - Journa	1,211.25	
Material & Supply Fee - Nursin	110.00	
Material & Supply Fee - Pharma	135.00	
McGuinn Hall	98,757.21	2,526.97
Music Material Supply	375.00	
Nursing ATI Fees	105.00	
Orientation Fee	29,198.21	295.00
Paddyfote Complex	534,597.82	4,293.72
Palmetto Street - Phase 3	345,879.38	1,825.00
Palmetto Street Apts.-North	322,662.81	100.00
Palmetto Street Apts.-South	390,197.43	1,881.69
Polkinghorn Village Apts	127.00	
Postal Service	15,148.09	115.00
Regents Emergency Loan	19,551.39	498.00
Reimburse for Duplicate Checks	5,074.42	
Returned Checks/Accounts Recei	124,342.99	
Sampson Hall	75,228.96	
Sch.Need Base-Financial Aid Fe	262,806.27	6,201.91
Student Disciplinary Fines	11,492.52	350.00
Student Fee Trust Fund	7,290,864.07	175,232.29
Study Abroad Program (Dominica	4,724.76	
Supply Fee - Graphic Arts	120.00	15.00
Technology Fee	32,634.63	2,706.79
Third Party Sponsor	6,920.48	
Transcript Fee	7,319.99	40.04
Truth Hall	56,538.08	
University Commons	128,051.42	12,436.02
University Gardens Lease Pro	77,039.72	
University Parking Services	402,846.53	6,851.31
University Rattler Card	35,315.29	774.77
Wheatley Hall	151,433.86	1,222.13
Young Hall	34,390.68	375.00
Total	15,880,145.03	301,408.08

**Florida Agricultural and Mechanical University
Board of Trustees**



Florida Agricultural and Mechanical University


TALLAHASSEE, FLORIDA 32307-3200

TELEPHONE: (850) 561-2273
FAX: (850) 561-2461

OFFICE OF THE CONTROLLER
& STUDENT FINANCIAL SERVICES
201 FHAC

To: Dr. Larry Robinson, University President

Thru: Dr. Wanda Ford, CFO & VP, Finance and Administration

From: Tiffany Holmes, University Controller & AVP 


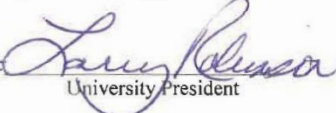
RE: **Request Approval for Write-off of Missing or Stolen Property**

Date: January 30, 2019

Pursuant to Florida Statutes Chapter 273 and BOT Policy 2008-03 approval is requested to write-off the following tangible personal property. Tangible personal property being defined as all personal property, other than real estate, acquired and belonging to the State of Florida. These items have been documented as missing for at least two inventory cycles. This includes property reported as stolen through a recognized police incident report. This year's Write-off amount has been approved by the University's Property Survey Board and is as follows:

#Items	Acquisition Cost = \$32,650.00	Net Book Value = \$0.00
2		

Upon your approval, we will adjust the University's property records effective as of June 30, 2019.

Approved: 	<u>2/6/19</u>
CFO	Date
Approved: 	<u>2/7/19</u>
University President	Date

Attachment

Cc: D'Andrea Cotton, Associate Controller
Danyell Conner, Assistant Controller
Natasha Ray, Assistant Controller

**Florida Agricultural and Mechanical University
Board of Trustees**



Property Write-Off
FY 2018-19

No.	Asset ID	Tag Number	Description	SERIAL ID	Cost	Acq. Date	Depreciation	Department	Account No	Document Number	Certification Number
1	000000005902	493000078900	CAMERA, HITACHI VIDEO	9123055	\$ 6,550.00	12/20/1990	\$ 0.00	SURPLUS PROPERTY	030910	R/S 10/16	CERT 2019/15
2	000000019276	493000107043	MAINLINE, IBM PICOINFORMATICS IT EQUIP		\$ 26,100.00	4/28/2006	\$ 0.00	SURPLUS PROPERTY	030910	R/S 10/16	CERT 2019/15

TOTAL COST: \$ 32,650.00

\$ 0.00

Property Write-off Comparison

No.	Asset ID	Tag Number	Description	Serial ID	Cost	Acq Date	Net Book Value	Cert No.	Dept
1	000000005965	493000071894	REFRIGERATOR FLOOR MODEL 208 V	1171	\$ 17,231.47	8/1/1986	\$ -	Cert 2017-25	Viticulture
2	000000005505	493000076043	CAMERA ASSEMBLY HITACHI	8021236	\$ 10,200.00	8/1/1988	\$ -	Cert 2017-25	Property
3	000000007672	493000087604	TABLE LABEL PRINTER		\$ 19,380.00	2/5/1996	\$ -	Cert 2017-25	Property
4	000000010705	493000088332	LDV ENHANCEMENTTSI OPTICAL	954001	\$ 37,725.00	1/24/1996	\$ -	Cert 2017-25	Property
5	000000006612	493000090900	ELECTROPHRESIS SYSTEM	H4W01660223	\$ 5,400.00	3/17/1997	\$ -	Cert 2017-25	Viticulture
6	000000002358	493000097639	COMPUTER, 800-H/P	US95065772	\$ 14,675.00	6/15/2000	\$ -	Cert 2017-25	Property
7	000000005323	493000098329	COMPUTER 560 GATEWAY	21117841	\$ 16,128.00	3/15/2001	\$ -	Cert 2017-25	Property
8	000000003165	493000103115	SERVER DELL 2650		\$ 5,683.00	12/4/2003	\$ -	Cert 2017-25	ITS
9	000000029315	493000113744	SWITCH, CATALYST 3560X	SFD01427K140	\$ 6,930.00	9/2/2010	\$ -	Cert 2017-25	ITS
10	000000011012	493000090540	SECTION, TEST-CORDIN		\$ 43,334.00	12/22/1996	\$ -	Cert 2017-25	Property
11	000000019987	493000107526	SimMan - Laerdal		\$ 22,600.00	4/5/2006	\$ -	Cert 2017-25	Nursing
			TOTAL FY 2018		\$ 199,286.47		\$ -		

No.	Asset ID	Tag Number	Description	Serial ID	Cost	Acq Date	Net Book Value	Cert No.	Dept
1	000000005902	493000078900	CAMERA , HITACHI VIDEO	9123055	\$ 6,550.00	12/20/1990	\$ -	Cert 2019/15	Property
2	000000019276	493000107043	MAINLINE, IBM BIOINFORMATICS IT EQUIP		\$ 26,100.00	4/28/2006	\$ -	Cert 2019/15	Property
			TOTAL FY 2019		\$ 32,650.00		\$ -		

**Florida Agricultural and Mechanical University
Board of Trustees**



SUPPLEMENTAL DOCUMENT
List of Contracts Over \$100,000



Florida Agricultural and Mechanical University Board of Trustees

Contracts over \$100,000

1. Contractor: Facility Management and Maintenance

Contract #: C-RFP 0002-2019

Contract Start Date: November 5, 2018

Contract Expiration Date: 3 years from the date of execution.

Contract Amount: \$ 138,600

This contractor is currently providing facility management and maintenance services, in accordance with the referenced contract, for the Centennial Building located at 2077 East Paul Drive, Tallahassee, Florida 32310.

2. Contractor: Enmon Enterprises, LLC DBA Jani-King of Pensacola

Contract #: C-RFP 0003-2019 Rebid

Contract Start Date: November 19, 2018

Contract Expiration Date: June 30, 2021

Contract Amount: \$ 256,921.32

This contractor is currently providing Maintenance Services, in accordance with the referenced contract, for the Crestview Education Center.