

**Minutes
Board of Trustees Meeting
University of Central Florida
September 13, 2016**

Chairman Marcos Marchena called the special meeting of the Board of Trustees to order at 8:00 a.m. in the Live Oak Event Center on the UCF Orlando campus.

The following board members attended the meeting: Chairman Marcos Marchena, Ken Bradley, Clarence Brown, Christopher Clemente, Ray Gilley, Keith Koons, Alex Martins, David Walsh, and William Yeargin. Trustees Joseph Conte, Robert Garvy, Beverly Seay, and John Sprouls attended via teleconference.

WELCOME

Chairman Marchena welcomed the board members and called on Rick Schell, Associate Corporate Secretary, to call the roll. Schell determined that a quorum was present.

PUBLIC COMMENT

Michael Joyce, Division President of Hospital Corporation of America (HCA), commented on HCA's interest in developing a collaborative affiliation with UCF's College of Medicine to build a teaching hospital in Lake Nona.

RECUSAL

Trustee Ken Bradley recused himself.

NEW BUSINESS

Marchena introduced Deborah German, Vice President for Medical Affairs and Dean of the College of Medicine, who gave a report on the Selection by UCF Academic Health, Inc., of a partner for an academic teaching hospital.

Hitt commented on the timing of this matter stating that the university was confronted with a situation in which letters of intent to file for a certificate of need were offered by two other parties. He stated that if UCF had not responded we would have been in a position where there would be a hospital at Lake Nona, and we would not be involved. This is a very important decision for our College of Medicine.

Marchena presented the following items that he considers that UCF must have in the agreement as the negotiations proceed.

1. UCF must have a 20 percent equity interest.
2. There will be no cash or debt investment by UCF for the first-phase construction of the hospital. UCF will bring its land, name, and good will.
3. The board that is created for the hospital has to approve all future expansions. It cannot be a unilateral decision by HCA. UCF will require from HCA that, if necessary, HCA will loan or advance UCF's share of the investment for any expansions for a reasonable length of term at an interest rate equal to the ten-year U.S. Treasury note rate.
4. UCF shall maintain at least a 50 percent interest on the Board of Directors and those directors shall be appointed by UCF. There shall be no joint appointments.
5. In the selection and appointment of a CEO, UCF board members shall approve the CEO.
6. There will be a clear list of delegated authority by the board to the CEO, and all other decisions will be reserved to the board.
7. Any management fee to HCA must be fully documented, and it will not exceed 1 percent of revenue.
8. The agreement will have adequate provisions to protect the UCF brand.
9. HCA will administer the hospital, and the responsibility for problems with Medicaid or Medicare billings and risk management rest with HCA and not with the university.

Marchena presented the following item for board approval.

- BOT-1 Selection by UCF Academic Health, Inc., of a Partner for an Academic Teaching Hospital—A motion was made and unanimously passed by the board to ratify the selection by UCF Academic Health, Inc., for an academic teaching hospital at the UCF College of Medicine at the Lake Nona Health Sciences Campus.

Trustee Bradley abstained. The board also approved the attached resolution titled "Resolution of the University of Central Florida Board of Trustees Regarding Issuance by UCF Academic Health, Inc., of an Invitation to Negotiate and Filing of a Responsive Letter of Intent with the Agency for Health Care Administration."

ADJOURNMENT

Marchena adjourned the board meeting at 9:45 a.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary