Board of Trustees Teleconference Meeting
March 24, 2020
9:30-10 a.m. (Or upon adjournment of previous meeting)
President’s Boardroom, Millican Hall, 3rd floor
800-442-5794, passcode 463796

AGENDA

1. Welcome and call to order
   Chair Seay, Chair

2. Roll Call
   Karen Monteleone, Assistant Vice President, Board Relations

3. Public Comment
   Karen Monteleone

4. New Business
   Chair Seay
   
   FF – 1  Motion  UCF Academic Health, Inc. and Florida Cancer Specialists & Research Institute, LLC Sub-Sublease (Martins)
   
   FF – 2  Motion  UCF Academic Health, Inc. and Clinical Education Shared Services, LLC Sub-Sublease (Martins)
   
   FF – 3  Motion  UCF Academic Health, Inc. and Sarah Cannon Research Institute, LLC Sub-Sublease (Martins)
   
   FF – 4  Motion  UCF Academic Health, Inc. and Central Florida Health Services, LLC Sub-Sublease (Martins)
   
   BOT – 1  Motion  Grant Approval- Inclusive Education Services (Seay)
   
   BOT – 2  Motion  Presidential Employment Contract (Seay)

5. Other Business
   Chair Seay

6. Adjournment
   Chair Seay
ITEM: FF-1

UCF BOARD OF TRUSTEES
March 24, 2020

Title: UCF Academic Health, Inc. and Florida Cancer Specialists & Research Institute, LLC Sub-Sublease

Background:
On August 27, 2018 the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona. UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research and clinical oncology services to be provided by private partners. On December 1, 2018 UCF sublet approximately 80,000 square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH can develop partnerships and sub-subleases with private sub-tenants. The rent from those sub-subleases will be used to fund UCFREF’s $2 million annual mortgage commitment to Orange County. The UCFAH administrative team, working with external advisors, has negotiated a 10-year clinical space sub-sublease lease arrangement with Florida Cancer Specialists & Research Institute, LLC (FCS) to occupy approximately 6,974 rentable square feet in the UCF Lake Nona Cancer Center. As superior lease holders for the property, UCFREF and UCF are requested to join in the execution of the sub-sublease.

FCS is a well-established medical oncology group that provides services throughout Florida.

Issues to be Considered:
Under the terms of the sublease between UCF and UCFAH, rental revenue collected by UCFAH from its tenants will be used beginning December 1, 2020 to support UCFREF’s mortgage commitment. Operating and maintenance payments collected by UCFAH from its tenants will be used to assist with costs related to operating and maintaining the property. The approval of the proposed sub-sublease arrangement will enable FCS to complete its tenant improvements on the agreed upon timetable with rent payments estimated to commence December 1, 2020.

UCFAH’s administrative team worked with outside counsel and the UCF Office of the General Counsel to draft the proposed sub-sublease. On February 14, 2020 the UCFAH Board of Directors approved the proposed sub-sublease arrangement.

Alternatives to Decision:
The Finance and Facilities Committee can vote to not approve the agreement implementing the lease arrangement with FCS or request that revisions be made to the sub-sublease.

Fiscal Impact and Source of Funding:
Rent collected from the FCS lease arrangement will initially generate approximately $237,116 in annual revenue that will be applied towards the mortgage obligation to Orange County. Each year, the rent will increase by 3 percent. FCS will pay a proportionate share of operating and maintenance expenses to be used to support the costs of operating and maintaining the property.

Recommended Action:
Review and recommend approval by the BOT of UCFAH’s sub-sublease with FCS for approximately 6,974 square feet in the UCF Lake Nona Cancer Center including the joinder to the sub-sublease by UCF and
UCFREF, and including any minor modifications approved by the Chair of UCFAH; and authorize UCFAH to take such actions as are necessary regarding implementing the lease arrangement.

**Authority for Board of Trustees Action:**
UCF Regulation 4.034, University Direct Support Organizations
Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**
Jeanette C. Schreiber, Senior Associate Vice President for Medical Affairs, Deputy General Counsel for Health Affairs

Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**
Chair Alex Martins has approved adding this item to the agenda.

**Submitted by:**
Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer
Deborah C. German, Chair, UCF Academic Health, Inc.

**Supporting Documentation:**
Attachment A: Contract Summary Form for Draft Sub-Sublease between UCFAH and FCS
Attachment B: Overview of UCFAH UCF Lake Nona Cancer Center Leases

**Facilitators/Presenters:**
Deborah C. German, Chair, UCF Academic Health, Inc.
Jeanette C. Schreiber, Secretary, UCF Academic Health, Inc.
Jennifer F. Cerasa, Senior Associate General Counsel
### Summary of Clinical Space Sub-Sublease between
UCF Academic Health, Inc. and Florida Cancer Specialists & Research Institute, LLC

| Purpose/Background                                                                 | Florida Cancer Specialists & Research Institute, LLC (“FCS”) is sub-subleasing from UCF Academic Health, Inc. approximately 6,974 Rentable Square Feet of clinical and/or research space at the UCF Lake Nona Cancer Center. FCS is obtaining a right of first refusal for approximately 2,262 additional rentable square feet. Final rentable square feet will be determined prior to rent commencement. The sub-subleased space will be utilized as an oncology medical office, which will include PET-CT imaging. The Property is owned by the University of Central Florida Real Estate Foundation and is leased to the University of Central Florida Board of Trustees pursuant to that certain Master Lease dated August 27, 2018. A portion of the Building containing approximately 80,000 square feet is subleased to UCFAH. UCFAH is sub-subleasing the space to partners/tenants in the UCF Lake Nona Cancer Center. |
| Parties to Lease                                                                | UCF Academic Health, Inc. (“UCFAH” or “Landlord”) and Florida Cancer Specialists & Research Institute, LLC (“FCS” or “Tenant”) |
| Joinder to Leases by                                                            | University of Central Florida Real Estate Foundation, L.L.C. and University of Central Florida Board of Trustees |
| Term                                                                            | Initial term is 10 years with potential for extension of two additional term(s) of 5 lease years each. |
| Obligations of UCFAH                                                           | Landlord’s consultant is responsible for determining final rentable square feet prior to the Rent Commencement Date based on standards of BOMA. Landlord provides Tenant with the non-exclusive right of not more than 6 parking spaces per 1,000 Rentable Square Feet. Landlord will install data cabling, at Tenant’s request and expense. Landlord will provide Wi-Fi service accessible to the building’s common areas. Landlord shall cause all portions of the building to be maintained, repaired and replaced, excluding those portions required to be maintained, repaired and replaced by Tenant. |
| Obligations of Other Party                                                      | Tenant is responsible for its Tenant Improvements. Tenant is responsible for the interior signage at its premises at Tenant’s expense. Tenant is responsible for hazardous materials removal, at Tenant’s expense. Tenant must have its own internet domain name, own internet provider and is responsible for its own telephone service. |
| Tenant must be a member of and participate in the UCF Lake Nona Cancer Center Member Association.  
Tenant is responsible for maintenance, repair and replacement of all nonstructural portions of the interior of the Premises, excepting ordinary wear and tear.  
Tenant’s PET-CT equipment and facilities must be separately metered.  
Tenant is responsible for the janitorial and cleaning services for its premises and lightbulb replacement in its premises.  
Tenant is responsible for carrying insurance and for ensuring contractors are insured.  

| Financial terms | Base Rent is $34.00 per rentable square foot for the First Lease Year and subject to a 3% escalation each year. Base Rent for the Initial Lease Year equals $237,116 before reductions for tenant improvement allowance, payable in equal monthly installments of $19,759.67.  
Tenant pays Additional Rent, consisting of Tenant’s Proportionate Share of Operating Expenses, Sales Tax and Taxes (which are generally defined to include real estate taxes, personal property and ad valorem taxes, and other levies, charges, impact fees and local improvement rates and assessments attributable to Tenant’s occupancy and use of the Premises.)  
Tenant is responsible for the costs of tenant improvements, subject to a tenant improvement allowance of up to $5 per rentable square foot for the first 5 years of the lease term (total $25 per square foot tenant improvement allowance), which may be reduced by the value of a rent free occupancy period for up to three months beginning September 1, 2020.  
Tenant will pay Landlord a review fee of $10,035 to cover Landlord’s costs of consulting architects and engineers in reviewing Tenant’s plans.  

| Termination rights | Landlord may terminate Lease in the event of a default by Tenant, including, e.g., Tenant dissolution, bankruptcy or adjudication of insolvency. Tenant has no termination rights in the event of Landlord’s default.  

| Additional terms | Permitted Use – Oncology medical office, subject to all other terms and conditions of the Lease.  
The rentable square feet will be finalized prior to the rent commencement date based on Tenant’s tenant improvement plans, and base rent and proportionate share of expenses will be adjusted accordingly.  
For the first five years of the lease term, Tenant will have the exclusive right in the building to provide PET-CT services.  

<table>
<thead>
<tr>
<th>Tenant may assign or sublet the Premises with written notice to Landlord and with Landlord’s consent, but each sublet will be subject and subordinate to this Lease and Tenant will remain liable. Property is subject to additional use and deed restrictions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link to agreement</td>
</tr>
</tbody>
</table>
Overview of UCF Lake Nona Cancer Center Leases

UCF Academic Health, Inc.

March 24, 2020

Deborah C. German, MD, Vice President for Health Affairs and Dean, College of Medicine

Jeanette C. Schreiber, JD, MSW, Senior Associate Vice President for Health Affairs and Chief Legal Officer, College of Medicine
Background: Acquisition of Former Sanford Burnham Prebys Building

- On August 27, 2018, UCF Real Estate Foundation (UCF REF) purchased building and land from Orange County
  - Instant expansion of research space at a fraction of the time and cost to build
- Goals
  - State-of-the art research facility as part of the UCF Health Sciences Campus
  - UCF cancer research and treatment center with partners
  - Mortgage payments covered by rent from private tenants
Background continued

- **Lease structure**
  - UCF REF leased building and land to UCF
  - UCF subleased approximately 80,000 s.f. to UCF Academic Health (UCFAH) to sublease to private partners

- $50 Million, paid over 30 years to Orange County with no interest
  - Quarterly mortgage payments begin on 12/1/2020
  - Annual mortgage obligation is $2 million for first 20 years, then $1 million for 10 years

- Renamed UCF Lake Nona Cancer Center
  - Next to UCF Lake Nona Medical Center
Summary of Sub-Subleases

Building Layout First Floor
Summary of Sub-Subleases

Building Layout Second Floor

- Clinical Education Shared Services: 8,133 RSF
- Sarah Cannon: 17,930 RSF
- Sarah Cannon: 1,632 RSF
- UCF IT Workspace/Storage
- Available: 1,317 RSF
- Available: 2,079 RSF
- Florida Cancer Specialists: 2,262 RSF (First Right of Refusal)
- Florida Cancer Specialists: 6,974 RSF
- Clinical Education Shared Services: 8,820 RSF
Summary of Sub-Subleases

Building Layout Third Floor
Summary of Sub-Subleases

Common terms in all Leases:

**Landlord:** UCF Academic Health, Inc.

**Term:** 10 years with potential for extension of two additional terms

**Joinder:**
- University of Central Florida Real Estate Foundation, L.L.C.
- University of Central Florida Board of Trustees

**Expenses:** Tenants pay proportionate share of operating expenses (for CESS capped at $10.50/sq. ft.). Tenants also responsible for sales taxes, real estate taxes, personal property and ad valorem taxes and other levies, charges, impact fees and local improvement rates and assessments attributable to tenancy.

**Escalation:** Base rent subject to 3% annual escalation

**Tenant Improvements:** All tenant improvements are responsibility of the Tenant, subject to architectural and engineering approvals by Landlord.
<table>
<thead>
<tr>
<th>Tenant</th>
<th>Total Rentable Square Feet</th>
<th>Base Rent</th>
<th>Initial Annual Rent</th>
<th>Initial Monthly Installments</th>
<th>TI Allowance</th>
<th>Review Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Florida Health Services, LLC</td>
<td>14,263 sq. ft. (comprised of existing 11,806 sq. ft. and 2,457 sq/ ft. to be constructed)</td>
<td>$31/sq. ft. (not incl. premises to be constructed)</td>
<td>$365,986</td>
<td>$30,498.83</td>
<td>None</td>
<td>$20,265</td>
</tr>
<tr>
<td>Sarah Cannon Research Institute, LLC</td>
<td>19,562 sq. ft.</td>
<td>$31/sq. ft.</td>
<td>$606,422</td>
<td>$50,535.17</td>
<td>None</td>
<td>$11,400</td>
</tr>
<tr>
<td>Florida Cancer Specialists &amp; Research Institute, LLC</td>
<td>6,974 sq. ft. with ROFR for approx. 2,262 sq. ft (estimate)</td>
<td>$34/sq. ft. (before TI allowance credit)</td>
<td>$237,116</td>
<td>$19,759.67</td>
<td>$25/sq. ft. reduced by rent free occupancy for up to 3 mos., paid as rent reduction over 5 years</td>
<td>$10,035</td>
</tr>
</tbody>
</table>
# Leases: Financial Summary

## Revenue from Temporary Leases

<table>
<thead>
<tr>
<th>Lease Type</th>
<th>Total Rent Collected by Dec 1, 2020</th>
<th>Total Operating Expenses Collected by Dec 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amicus</td>
<td>$102,967</td>
<td>$25,742</td>
</tr>
<tr>
<td>CFHS – Administrative</td>
<td>$157,017</td>
<td>$42,359</td>
</tr>
<tr>
<td>HCA NFL</td>
<td>$34,777</td>
<td>$9,414</td>
</tr>
<tr>
<td><strong>Total temporary leases</strong></td>
<td><strong>$294,761</strong></td>
<td><strong>$77,516</strong></td>
</tr>
</tbody>
</table>

## Annual Revenue from Long-Term Leases

<table>
<thead>
<tr>
<th>Lease Type</th>
<th>Annual Rent</th>
<th>Annual Operating Expenses (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFHS Radiation Therapy</td>
<td>$365,986</td>
<td>$123,963</td>
</tr>
<tr>
<td>FCS (after TI allowance credit)</td>
<td>$214,102</td>
<td>$73,227</td>
</tr>
<tr>
<td>Sarah Cannon</td>
<td>$606,422</td>
<td>$205,401</td>
</tr>
<tr>
<td>CEES</td>
<td>$525,543</td>
<td>$178,007</td>
</tr>
<tr>
<td>HCA NFL</td>
<td>$158,836</td>
<td>$44,321</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,870,889</strong></td>
<td><strong>$624,919</strong></td>
</tr>
</tbody>
</table>

## Remaining leasable 16,267 s.f.

|                          | $553,078 | $170,804 |
Lake Nona Cancer Center

Mission and Vision

• Above all else, we are committed to the care and improvement of human life.
• We provide personalized integrated cancer care enriched by education and groundbreaking research, transforming health in our community and around the world.

UCF Lake Nona Cancer Center Members Association

All members agree:

• To accept the shared mission, values, principles and rules
• To be affiliated with UCF to engage learners
• To participate in research as is appropriate for tenant’s operations in collaboration with UCF basic science and clinical researchers
• To establish a coordinated clinical partnership using the most optimal, evidence-based clinical care
Questions?
Title: UCF Academic Health, Inc. and Clinical Education Shared Services, LLC Sub-Sublease

Background:
On August 27, 2018 the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona. UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research and clinical oncology services to be provided by private partners. On December 1, 2018 UCF sublet approximately 80,000 square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH can develop partnerships and sub-subleases with private sub-tenants. The rent from those sub-subleases will be used to fund UCFREF’s $2 million annual mortgage commitment to Orange County. The UCFAH administrative team, working with external advisors, has negotiated a 10-year sub-sublease arrangement with Clinical Education Shared Services, LLC (CESS) to occupy approximately 16,953 rentable square feet in the UCF Lake Nona Cancer Center. As superior lease holders for the property, UCFREF and UCF are requested to join in the execution of the sub-sublease.

CESS is an HCA affiliate that trains nurses and other clinical staff who work in HCA-affiliated facilities.

Issues to be Considered:
Under the terms of the sublease between UCF and UCFAH, rental revenue collected by UCFAH from its tenants will be used beginning December 1, 2020 to support UCFREF’s mortgage commitment. Operating and maintenance payments collected by UCFAH from its tenants will be used to assist with costs related to operating and maintaining the property. The approval of the proposed sub-sublease arrangement will enable CESS to complete its tenant improvements on the agreed upon timetable with rent payments commencing the earlier of occupancy or 154 days after UCFAH delivers exclusive possession of the space to CESS after completion of demolition. The CESS rent commencement date is currently estimated to be October 15, 2020.

UCFAH’s administrative team worked with outside counsel and the UCF Office of the General Counsel to draft the proposed sub-sublease. On February 14, 2020 the UCFAH Board of Directors approved the proposed sub-sublease arrangement.

Alternatives to Decision:
The Finance and Facilities Committee can vote to not approve the agreement implementing the lease arrangement with CESS or request that revisions be made to the sub-sublease.

Fiscal Impact and Source of Funding:
Rent collected from the CESS lease arrangement will initially generate approximately $525,543 in annual revenue that will be applied towards the mortgage obligation to Orange County. Each year, the rent will increase by 3 percent. CESS will pay a share of operating and maintenance expenses totaling $10.50 per rentable square foot which will initially generate approximately $178,007 in annual additional rent which will be used to support the costs of operating and maintaining the property. Each year, the operating and maintenance expenses will increase by 3 percent.
**Recommended Action:**
Review and recommend approval by the BOT of UCFAH’s sub-sublease with CESS for approximately 16,953 rentable square feet in the UCF Lake Nona Cancer Center, including the joinder to the sub-sublease by UCF and UCFREF, and including any minor modifications approved by the Chair of UCFAH; and authorize UCFAH to take such actions as are necessary regarding implementing the lease arrangement.

**Authority for Board of Trustees Action:**
UCF Regulation 4.034, University Direct Support Organizations
Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**
Jeanette C. Schreiber, Senior Associate Vice President for Medical Affairs, Deputy General Counsel for Health Affairs

Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**
Chair Alex Martins has approved adding this item to the agenda.

**Submitted by:**
Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer
Deborah C. German, Chair, UCF Academic Health, Inc.

**Supporting Documentation:**
Attachment A: Contract Summary Form for Draft Sub-Sublease between UCFAH and CESS

*Note an overview of all four UCFAH UCF Lake Nona Cancer Center leases is provided as Attachment B on FF-1.*

**Facilitators/Presenters:**
Deborah C. German, Chair, UCF Academic Health, Inc.
Jeanette C. Schreiber, Secretary, UCF Academic Health, Inc.
Jennifer F. Cerasa, Senior Associate General Counsel
## Summary of Sub-Sublease between
UCF Academic Health, Inc. and Clinical Education Shared Services, LLC

| Purpose/Background | Clinical Education Shared Services, LLC (“CESS”), an affiliate of Hospital Corporation of America (“HCA”), is leasing approximately 16,953 Rentable Square Feet of space at the UCF Lake Nona Cancer Center. The sub-subleased space will be utilized as a simulation training and general training facility for nurses and other clinical staff providing services in HCA-affiliated facilities. The Property is owned by the University of Central Florida Real Estate Foundation and is leased to the University of Central Florida Board of Trustees pursuant to that certain Master Lease dated August 27, 2018. A portion of the building containing approximately 80,000 square feet is subleased to UCFAH. UCFAH is sub-subleasing the space to partners/tenants in the UCF Lake Nona Cancer Center. |
| Parties to Leases | UCF Academic Health, Inc. (“UCFAH” or “Landlord”) and Clinical Education Shared Services, LLC (“CESS” or “Tenant”) |
| Joinder to Leases by: | University of Central Florida Real Estate Foundation, L.L.C. and the University of Central Florida Board of Trustees |
| Term | Initial term is 10 years with potential for extension of two additional term(s) of 5 lease years each. |
| Obligations of UCFAH | Landlord is responsible for removing equipment and fixtures and performing demolition work prior to delivering possession of the Premises to the Tenant. Landlord’s consultant is responsible for confirming final rentable square feet prior to the rent commencement date based on standards of BOMA. Landlord provides Tenant with the non-exclusive right of not more than 4 parking spaces per 1,000 Rentable Square Feet. Landlord will provide, at Tenant’s expense, directory strip signs and a sign on the door of Tenant’s Premises. Landlord will install data cabling, at Tenant’s request and expense. Landlord shall cause all portions of the building to be maintained, repaired and replaced, excluding those portions required to be maintained, repaired and replaced by Tenant. |
| Obligations of Other Party | Tenant is responsible for its Tenant Improvements. Tenant must have its own internet domain name, own internet provider and is responsible for its own telephone service. Tenant is responsible for maintenance, repair and replacement of all nonstructural portions of the interior of the Premises, excepting ordinary wear and tear. Tenant is responsible for hazardous materials removal, at Tenant’s expense. |
As applicable, Tenant must be a member of and participate in the UCF Lake Nona Cancer Center Member Association.
Tenant is responsible for carrying insurance or self-insuring and for ensuring contractors are ensured.

**Financial terms**
Base Rent is $31.00 per rentable square foot for the First Lease Year and subject to a 3% adjustment each year. Base Rent for the Initial Lease Year equals $525,543, payable in equal monthly installments of $43,795.25.

Tenant pays Additional Rent, consisting of Tenant’s Share of Operating Expenses totaling $10.50 per rentable square foot for the first Lease Year and subject to a 3% adjustment each year. Tenant’s Share of Operating Expenses for the first Lease Year is $178,006.50, payable in equal monthly installments of $14,833.88. Tenant also pays as Additional Rent Tenant Sales Tax and Taxes (which are generally defined to include real estate taxes, personal property and ad valorem taxes, and other levies, charges, impact fees and local improvement rates and assessments attributable to Tenant’s occupancy and use of the Premises.)

Tenant is responsible for the costs of tenant improvements.
Tenant will pay Landlord a review fee of $11,400 to cover Landlord’s costs of consulting architects and engagement in reviewing Tenant’s plans.

**Termination rights**
Landlord may terminate the lease in the event of a default by Tenant, including, e.g., Tenant dissolution, bankruptcy or adjudication of insolvency.

**Additional terms**
Tenant may sublet the Premises with written notice to Landlord, but each sublet will be subject and subordinate to this Lease and Tenant will remain liable. Tenant may also assign to an HCA subsidiary.

Permitted Use – general and administrative office use, including but not limited to meeting and conference use, medical simulation training and general employee training, subject to all other terms and conditions of the Lease.

Property is subject to additional deed restrictions.

**Link to agreement**
[https://bot.ucf.edu/files/2020/03/UCFAH-CESS-Sub-Sublease-w-exhibits-v.2.pdf](https://bot.ucf.edu/files/2020/03/UCFAH-CESS-Sub-Sublease-w-exhibits-v.2.pdf)
Title: UCF Academic Health, Inc. and Sarah Cannon Research Institute, LLC Sub-Sublease

Background:
On August 27, 2018 the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona. UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research and clinical oncology services to be provided by private partners. On December 1, 2018 UCF sublet approximately 80,000 square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH can develop partnerships and sub-subleases with private sub-tenants. The rent from those sub-subleases will be used to fund UCFREF’s $2 million annual mortgage commitment to Orange County. The UCFAH administrative team, working with external advisors, has negotiated a 10-year clinical and research space sub-sublease arrangement with Sarah Cannon Research Institute, LLC (Sarah Cannon) to occupy approximately 19,562 rentable square feet in the UCF Lake Nona Cancer Center. As superior lease holders for the property, UCFREF and UCF are requested to join in the execution of the sub-sublease.

Sarah Cannon is the cancer research affiliate of HCA.

Issues to be Considered:
Under the terms of the sublease between UCF and UCFAH, rental revenue collected by UCFAH from its tenants will be used beginning December 1, 2020 to support UCFREF’s mortgage commitment. Operating and maintenance payments collected by UCFAH from its tenants will be used to assist with costs related to operating and maintaining the property. The approval of the proposed sub-sublease arrangement will enable Sarah Cannon to complete its tenant improvements on the agreed upon timetable with rent payments commencing the earlier of occupancy or 170 days after UCFAH delivers exclusive possession of the space to Sarah Cannon after completion of demolition. It is currently estimated that the rent commencement date will be in early November 2020.

UCFAH’s administrative team worked with outside counsel and the UCF Office of the General Counsel to draft the proposed sub-sublease. On February 14, 2020 the UCFAH Board of Directors approved the proposed sub-sublease arrangement.

Alternatives to Decision:
The Finance and Facilities Committee can vote to not approve the agreement implementing the lease arrangement with Sarah Cannon or request that revisions be made to the sub-sublease.

Fiscal Impact and Source of Funding:
Rent collected from the Sarah Cannon lease arrangement will initially generate approximately $606,422 in annual revenue that will be applied towards the mortgage obligation to Orange County. Each year, the rent will increase by 3 percent. Sarah Cannon will pay a proportionate share of operating and maintenance expenses to be used to support the costs of operating and maintaining the property.
**Recommended Action:**
Review and recommend approval by the BOT of UCFAH’s sub-sublease with Sarah Cannon for approximately 19,562 rentable square feet in the UCF Lake Nona Cancer Center, including the joinder to the sub-sublease by UCF and UCFREF, and including any minor modifications approved by the Chair of UCFAH; and authorize UCFAH to take such actions as are necessary regarding implementing the lease arrangement.

**Authority for Board of Trustees Action:**
UCF Regulation 4.034, University Direct Support Organizations
Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**
Jeanette C. Schreiber, Senior Associate Vice President for Medical Affairs, Deputy General Counsel for Health Affairs

Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**
Chair Alex Martins has approved adding this item to the agenda.

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**Submitted by:**
Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer
Deborah C. German, Chair, UCF Academic Health, Inc.

**Supporting Documentation:**
Attachment A: Contract Summary Form for Draft Sub-Sublease between UCFAH and Sarah Cannon Research Institute

*Note an overview of all four UCFAH UCF Lake Nona Cancer Center leases is provided as Attachment B on FF-1.*

**Facilitators/Presenters:**
Deborah C. German, Chair, UCF Academic Health, Inc.
Jeanette C. Schreiber, Secretary, UCF Academic Health, Inc.
Jennifer F. Cerasa, Senior Associate General Counsel
**Summary of Clinical and Research Space Sub-Sublease between**
**UCF Academic Health, Inc. and Sarah Cannon Research Institute, LLC**

| Purpose/Background | Sarah Cannon Research Institute, LLC ("Sarah Cannon"), an affiliate of Hospital Corporation of America ("HCA"), is leasing approximately 19,562 Rentable Square Feet of clinical space and the location designated for Tenant’s generator at the UCF Lake Nona Cancer Center. The sub-subleased space will be utilized as a medical oncology office and drug discovery facility. The Property is owned by the University of Central Florida Real Estate Foundation and is leased to the University of Central Florida Board of Trustees pursuant to that certain Master Lease dated August 27, 2018. A portion of the building containing approximately 80,000 square feet is subleased to UCFAH. UCFAH is sub-subleasing the space to partners/tenants in the UCF Lake Nona Cancer Center. |
| Parties to Leases | UCF Academic Health, Inc. ("UCFAH" or "Landlord") and Sarah Cannon Research Institute, LLC ("Sarah Cannon" or "Tenant") |
| Joinder to Leases by: | University of Central Florida Real Estate Foundation, L.L.C. and the University of Central Florida Board of Trustees |
| Term | Initial term is 10 years with potential for extension of two additional term(s) of 5 lease years each. |
| Obligations of UCFAH | Landlord is responsible for removing equipment and fixtures and performing demolition work prior to delivering possession of the Premises to Tenant. Landlord’s consultant is responsible for confirming final rentable square feet prior to the rent commencement date based on standards of BOMA. Landlord provides Tenant with the non-exclusive right of not more than 4 parking spaces per 1,000 Rentable Square Feet. Landlord will provide, at Tenant’s expense, directory strip signs and a sign on the door of Tenant’s Premises. Landlord will install data cabling, at Tenant’s request and expense. Landlord shall cause all portions of the building to be maintained, repaired and replaced, excluding those portions required to be maintained, repaired and replaced by Tenant. |
| Obligations of Other Party | Tenant is responsible for its Tenant Improvements. Tenant must have its own internet domain name, own internet provider and is responsible for its own telephone service. Tenant is responsible for maintenance, repair and replacement of generator and all nonstructural portions of the interior of the Premises, excepting ordinary wear and tear. Tenant is responsible for hazardous materials removal, at Tenant’s |
Tenant must be a member of and participate in the UCF Lake Nona Cancer Center Member Association.

Tenant is responsible for carrying insurance or self-insuring and for ensuring contractors are ensured.

| Financial terms | Base Rent is $31.00 per rentable square foot for the First Lease Year and subject to a 3% adjustment each year. Base Rent for the Initial Lease Year equals $606,422, payable in equal monthly installments of $50,535.17.

Tenant pays Additional Rent, consisting of Tenant’s Proportionate Share of Operating Expenses, Tenant Sales Tax and Taxes (which are generally defined to include real estate taxes, personal property and ad valorem taxes, and other levies, charges, impact fees and local improvement rates and assessments attributable to Tenant’s occupancy and use of the Premises.)

Tenant is responsible for the costs of tenant improvements.

Tenant will pay Landlord a review fee of $11,400 to cover Landlord’s costs of consulting architects and engagement in reviewing Tenant’s plans. |
| Termination rights | Landlord may terminate the lease in the event of a default by Tenant, including, e.g., Tenant dissolution, bankruptcy or adjudication of insolvency. |
| Additional terms | Tenant may sublet the Premises with written notice to Landlord, but each sublet will be subject and subordinate to this Lease and Tenant will remain liable. Tenant may also assign to an HCA subsidiary.

Permitted Use – Medical oncology office and drug discovery facility, subject to all other terms and conditions of the Lease.

Tenant may install a generator at its sole expense and subject to Landlord’s approval.

Property is subject to additional deed restrictions. |
Title: UCF Academic Health, Inc. and Central Florida Health Services, LLC Sub-Sublease

Background:
On August 27, 2018 the University of Central Florida Real Estate Foundation, L.L.C. (UCFREF) purchased from Orange County the former Sanford Burnham Prebys property in Lake Nona. UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF COM cancer research and clinical oncology services to be provided by private partners. On December 1, 2018 UCF sublet approximately 80,000 square feet of the building to UCF Academic Health, Inc. (UCFAH) so that UCFAH can develop partnerships and sub-subleases with private sub-tenants. The rent from those sub-subleases will be used to fund UCFREF’s $2 million annual mortgage commitment to Orange County. The UCFAH administrative team, working with external advisors, has negotiated a 10-year clinical space sub-sublease arrangement with Central Florida Health Services, LLC (CFHS) to occupy approximately 14,263 rentable square feet in the UCF Lake Nona Cancer Center. As superior lease holders for the property, UCFREF and UCF are requested to join in the execution of the sub-sublease.

CFHS is the joint venture partnership between UCF Academic Health, Inc. and a Hospital Corporation of America subsidiary that is building UCF Lake Nona Medical Center in Lake Nona adjacent to the Cancer Center. On January 27, 2020, the CFHS Governing Board approved the development of radiation oncology services in the cancer center as a department of the hospital.

Issues to be Considered:
Under the terms of the sublease between UCF and UCFAH, rental revenue collected by UCFAH from its tenants will be used beginning December 1, 2020 to support UCFREF’s mortgage commitment. Operating and maintenance payments collected by UCFAH from its tenants will be used to assist with costs related to operating and maintaining the property. The approval of the proposed sub-sublease arrangement will enable CFHS to complete its tenant improvements on the agreed upon timetable with rent payments commencing the earlier of occupancy or 263 days after UCFAH delivers exclusive possession of the space to CFHS after completion of demolition. It is currently estimated that the rent commencement date will be February 1, 2021.

UCFAH’s administrative team worked with outside counsel and the UCF Office of the General Counsel to draft the proposed sub-sublease. On February 14, 2020 the UCFAH Board of Directors approved the proposed sub-sublease arrangement.

Alternatives to Decision:
The Finance and Facilities Committee can vote to not approve the agreement implementing the lease arrangement with CFHS or request that revisions be made to the sub-sublease.

Fiscal Impact and Source of Funding:
Rent collected from the CFHS lease arrangement will initially generate approximately $365,986 in annual revenue that will be applied towards the mortgage obligation to Orange County. Each year, the rent will increase by 3 percent. CFHS will pay a proportionate share of operating and maintenance expenses to be used to support the costs of operating and maintaining the property.
**Recommended Action:**
Review and recommend approval by the BOT of UCFAH’s sub-sublease with CFHS for approximately 14,263 rentable square feet in the UCF Lake Nona Cancer Center, including the joinder to the sub-sublease by UCF and UCFREF, and including any minor modifications approved by the Chair of UCFAH; and authorize UCFAH to take such actions as are necessary regarding implementing the lease arrangement.

**Authority for Board of Trustees Action:**
UCF Regulation 4.034, University Direct Support Organizations
Policy BOT-4, Delegation of Authority to the President

**Contract Reviewed/Approved by General Counsel:**
Jeanette C. Schreiber, Senior Associate Vice President for Medical Affairs, Deputy General Counsel for Health Affairs
Jennifer F. Cerasa, Senior Associate General Counsel

**Committee Chair or Chair of the Board approval:**
Chair Alex Martins has approved adding this item to the agenda.

**Submitted by:**
Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer
Deborah C. German, Chair, UCF Academic Health, Inc.

**Supporting Documentation:**
Attachment A: Contract Summary Form for Draft Sub-Sublease between UCFAH and CFHS

*Note an overview of all four UCFAH UCF Lake Nona Cancer Center leases is provided as Attachment B on FF-1.*

**Facilitators/Presenters:**
Deborah C. German, Chair, UCF Academic Health, Inc.
Jeanette C. Schreiber, Secretary, UCF Academic Health, Inc.
Jennifer F. Cerasa, Senior Associate General Counsel
### Summary of Clinical and Research Space Sub-Sublease between
UCF Academic Health, Inc. and Central Florida Health Services, LLC

| **Purpose/Background** | Central Florida Health Services, LLC (“CFHS”) is the joint venture partnership between UCF Academic Health, Inc. (“UCFAH”) and a Hospital Corporation of America (“HCA”) subsidiary that is building UCF Lake Nona Medical Center adjacent to the UCF Lake Nona Cancer Center. CFHS is leasing approximately 14,263 Rentable Square Feet of clinical space at the UCF Lake Nona Cancer Center, which consists of approximately 11,806 Rentable Square Feet on the first floor of the building, approximately 2,457 Rentable Square Feet in additional space to be constructed by tenant to house its linear accelerator (the “Vault”), a new patient entrance area to be constructed by tenant (the “Canopy”) and the location designated for Tenant’s generator. The sub-subleased space will be utilized to provide radiation oncology services to patients. The Property is owned by the University of Central Florida Real Estate Foundation and is leased to the University of Central Florida Board of Trustees pursuant to that certain Master Lease dated August 27, 2018. A portion of the building containing approximately 80,000 square feet is subleased to UCFAH. UCFAH is sub-subleasing the space to partners/tenants in the UCF Lake Nona Cancer Center. |
| **Parties to Leases** | UCF Academic Health, Inc. (“UCFAH” or “Landlord”) and Central Florida Health Services, LLC (“CFHS” or “Tenant”) |
| **Joinder to Leases by:** | University of Central Florida Real Estate Foundation, L.L.C. and the University of Central Florida Board of Trustees |
| **Term** | Initial term is 10 years with potential for extension of two additional term(s) of 5 lease years each. |
| **Obligations of UCFAH** | Landlord is responsible for removing equipment and fixtures and performing demolition work prior to delivering possession of the Premises to the Tenant. Landlord’s consultant is responsible for confirming final rentable square feet prior to the rent commencement date based on standards of BOMA. Landlord provides Tenant with the non-exclusive right of not more than 4 parking spaces per 1,000 Rentable Square Feet. Landlord will provide, at Tenant’s expense, directory strip signs and a sign on the door of Tenant’s Premises. Landlord will install data cabling, at Tenant’s request and expense. |
| **Obligations of Other Party** | Tenant is responsible for its Tenant Improvements.  
Tenant must have its own internet domain name, own internet provider and is responsible for its own telephone service.  
Tenant is responsible for maintenance, repair and replacement of all nonstructural portions of the interior of the Premises, excepting ordinary wear and tear.  
Tenant is responsible for hazardous materials removal, at Tenant’s expense.  
Tenant must be a member of and participate in the UCF Lake Nona Cancer Center Member Association.  
Tenant is responsible for maintenance, repair and replacement of the Vault, Canopy and Generator at its sole cost and expense.  
Tenant must separately meter any Specialized Equipment (e.g. linear accelerator, CT scanner, etc.).  
Tenant is responsible for carrying insurance or self-insuring and for ensuring contractors are ensured. |
| **Financial terms** | Base Rent is $31.00 per rentable square foot for the First Lease Year and subject to a 3% increase each year. Base Rent for the Initial Lease Year equals $365,986.00, payable in equal monthly installments of $30,498.83.  
Tenant pays Additional Rent, consisting of Tenant’s Proportionate Share of Operating Expenses, Tenant Sales Tax and Taxes (which are generally defined to include real estate taxes, personal property and ad valorem taxes, and other levies, charges, impact fees and local improvement rates and assessments attributable to Tenant’s occupancy and use of the Premises).  
Tenant is responsible for the costs of tenant improvements.  
Tenant will pay Landlord a review fee of $20,265 to cover Landlord’s costs of consulting architects and engagement in reviewing Tenant’s plans. |
| **Termination rights** | Landlord may terminate the lease in the event of a default by Tenant, including, e.g., Tenant dissolution, bankruptcy or adjudication of insolvency. |
| Additional terms | Tenant may sublet the Premises with written notice to Landlord, but each sublet will be subject and subordinate to this Lease and Tenant will remain liable. Tenant may also assign to an HCA subsidiary.

Permitted Use - Performance of diagnostic imaging services and/or an oncology treatment facility (including without limitation the provision of oncology treatment services, fluoroscopy services, x-ray services, plain film radiography services, computerized tomography services, ultrasound services, radiation therapy services, mammography and breast diagnostic services, nuclear medicine testing services, and magnetic resonance imaging services), subject to all other terms and conditions of the Lease.

Tenant may install a generator at its sole expense and subject to Landlord’s approval.

Property is subject to additional deed restrictions. |
Title: Grant Approval- Inclusive Education Services  

Background:  
Inclusive Education Services (IES) at the University of Central Florida (UCF) was established in fall 2015 and provides students with intellectual and developmental disabilities (IDD) the opportunity to prepare for meaningful, paid employment through a credential-bearing Comprehensive Transition Program (CTP) approved by the US Department of Education. The three-prong goals of the IES program are:

1. Each new student increasing their academic, employment and career readiness skills through successful progression through the IES program;
2. Each continuing student demonstrating their learning by earning a Professional Services Credential in Hospitality, Education or Social Services concentration through UCF’s Division of Continuing Education;
3. And for each student who completes the program to be hired into a position that aligns with their chosen concentration.

Funding to operate the program has been provided since 2015 by available university E&G resources and a three year grant from the FCSUA. Support is being requested for the submission of a two year Florida Postsecondary Comprehensive Transition Program Grant in order to continue to enroll the next student cohort and serve students with IDD through the IES program at the University of Central Florida for the next two years.

Issues to be Considered:

- There is significant need to prepare IDD individuals for meaningful paid employment as indicated in the Florida Scoreboard that shows the unemployment rate for persons with disabilities currently lags behind the unemployment rates in the state of Florida (16.3% vs. 3.0%) and Orange County (14.5% vs. 2.4%) (Orange County Metrics, n.d.).
- Community stakeholders, such as the Central Florida Down Syndrome Foundation, the Down Syndrome Association of Central Florida, parents, prospective students and K – 12 colleagues have enthusiastically affirmed the need for such a program.
- UCF is one of only four inclusive postsecondary education programs in in the State University System (FIU, FAU, and UNF).
- The grant of $599,764 over two years, is necessary to fund the professional staff, peer mentors, adjunct instructors and other operating expenses necessary to support 16 to 24 students annually.

Alternatives to Decision:

1. Not to submit the grant and support the program with UCF E&G recurring funds.
2. Not to submit the grant, pause the IES program and seek philanthropic support.
3. Not to submit the grant and conclude the IES program at UCF.

Fiscal Impact and Source of Funding:
There is no negative financial impact to UCF by submitting the grant proposal.

Recommended Action:
Approve the submission of the grant application to the Florida Center for Students with Unique Abilities (FCSUA) to support UCF’s postsecondary comprehensive transition program, Inclusive Education Services

**Authority for Board of Trustees Action:**
The grant application materials include the following statement:

“The application for approval of a comprehensive transition program proposed by the eligible institution, which must be approved by the institution’s governing board and must address the requirements of the requirements of the federal comprehensive transition and postsecondary program under 20 U.S.C. s. 1140 and the requirements of this section.”

**Contract Reviewed/Approved by General Counsel:**
N/A

**Committee Chair or Chair of the Board approval:**
Chair Seay has approved adding this item to the agenda.

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**Submitted by:**
Maribeth Ehasz, Vice President, SDES

**Supporting Documentation:**
N/A

**Facilitators/Presenters:**
Maribeth Ehasz, Vice President, SDES
Title: Approval of President Employment Contract

Background:
The Board of Trustees has selected a President for the University of Central Florida, subject to ratification by the Florida Board of Governors. The contract has been negotiated with the incoming President and is presented for approval by the Board.

Issues to be Considered:
Whether the terms of the proposed contract are acceptable to the Board.

Alternatives to Decision:
Direct the Chair and General Counsel to negotiate modified terms as determined by the Board.

Fiscal Impact and Source of Funding:
Base salary under the contract is $600,000. The President will also be entitled to an additional 20% of base salary as deferred compensation as well as opportunity for an annual incentive bonus of up to 50% of base salary based upon performance. The contract also includes non-cash compensation including university housing, car allowance, relocation allowance and club membership. Any compensation above $200,000 will be paid from non-state sources.

Recommended Action:
Approve the employment contract as drafted.

Authority for Board of Trustees Action:
Article 9, Section 7 of the Florida Constitution
Board of Governors Regulation 1.001
Board of Trustees Delegation of Authority to the President

Contract Reviewed/Approved by General Counsel:
W. Scott Cole, Vice President and General Counsel

Committee Chair or Chair of the Board approval:
Chair Seay has approved adding this item to the agenda.

Submitted by:
W. Scott Cole, Vice President and General Counsel

Supporting Documentation:
Attachment A: Summary of President Employment Agreement

Facilitators/Presenters:
W. Scott Cole, Vice President and General Counsel
## Summary of Agreement

<table>
<thead>
<tr>
<th><strong>Purpose/Background</strong></th>
<th>This agreement sets forth the terms of the President’s employment with UCF, including compensation, both cash and non-cash, benefits, expectations for performance, annual evaluation, grounds for termination, and tenure with hire.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parties</strong></td>
<td>Alexander Cartwright and the UCF Board of Trustees</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Five years with annual renewal options thereafter by the Board with ratification by the Florida Board of Governors.</td>
</tr>
<tr>
<td><strong>Obligations of UCF</strong></td>
<td>Provide compensation outlined below. Perform annual evaluation of the President</td>
</tr>
<tr>
<td><strong>Obligations of other party</strong></td>
<td>Meet performance expectations of the Board; Observe standards of conduct of a university president</td>
</tr>
<tr>
<td><strong>Financial terms</strong></td>
<td>Annual Base salary of $600,000; deferred compensation of 20% of base salary payable; Annual performance-based Incentive compensation not to exceed 50% of base salary; Monthly automobile stipend of $1000; One-time relocation expenses of $50,000; Country Club membership; Executive health program; Free use of Burnett House as Residence.</td>
</tr>
<tr>
<td><strong>Termination rights</strong></td>
<td>Termination by the Board for Cause: If for misconduct, removal as President, no further compensation; If for neglect of duties, moved to tenured faculty position, receive faculty salary. Termination by the Board without cause: Twenty weeks of salary and accrued deferred comp or return to faculty and deferred comp. Resignation by President; return to faculty, two semesters paid professional development leave.</td>
</tr>
<tr>
<td><strong>Additional terms</strong></td>
<td>Disputes decided by binding arbitration</td>
</tr>
<tr>
<td><strong>Link to agreement</strong></td>
<td><a href="https://bot.ucf.edu/files/2020/03/President-Employment-Agreement-Cartwright-FINAL.docx">https://bot.ucf.edu/files/2020/03/President-Employment-Agreement-Cartwright-FINAL.docx</a></td>
</tr>
</tbody>
</table>