



UNIVERSITY OF CENTRAL FLORIDA

Office of the President

REVISED

University of Central Florida
Board of Trustees Meeting
January 18, 2018
FAIRWINDS Alumni Center
Agenda

8:15 a.m. – 4:00 p.m.

Lunch 12:00 p.m.

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COMMITTEE MEETINGS

8:15 – 8:30 a.m.	Compensation and Labor, John Sprouls, Chair
8:30 – 9:00 a.m.	Strategic Planning, Clarence Brown, Chair
9:00 – 9:45 a.m.	Advancement, Clarence Brown, Chair
9:45 – 10:45 a.m.	Educational Programs, Robert Garvy, Chair
10:45 – 11:15 a.m.	Nominating and Governance, William Yeargin, Chair
11:15 a.m. – 12:00 p.m.	Finance and Facilities, Alex Martins, Chair

BOARD MEETING

1:00 – 4:00 p.m.

1. Welcome and call to order Marcos Marchena, Chairman
2. Roll call Rick Schell, Associate Corporate Secretary
3. Public comment Rick Schell
4. [Minutes of October 26, 2017;](#)
[November 3, 2017; and November](#)
[8, 2017, meetings](#) Chairman Marchena
5. Remarks and introductions John C. Hitt, President
6. Reports
 - INFO-1** Information Transition Task Force Update (Vice Chair Garvy)
 - INFO-2** Information Presidential Search Update (Trustee Walsh)

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| | INFO-3 | Information | BRIDG and NeoCity Update – December 22, 2017 (Elizabeth Klonoff, Vice President for Research and Dean, College of Graduate Studies) |
| 7. | | Advancement Committee report | Chair Brown |
| | ADV-1 | Approval | Naming of the Roth Athletics Center (Karen Cochran, Senior Associate Vice President for Development) |
| 8. | | Audit and Compliance Committee report | Chair Beverly Seay |
| 9. | | Board of Trustees report | Chairman Marchena |
| | BOT-1 | Approval | UCF Academic Health Proposal (Deborah German, Vice President for Medical Affairs and Dean of the College of Medicine) |
| 10. | | Compensation and Labor Committee report | Chair Sprouls |
| | CL-1 | Approval | Presidential Compensation Analysis (Sprouls) |
| | CL-2 | Approval | Article 3: UFF Privileges and Article 23: Salaries of the Collective Bargaining Agreement with the United Faculty of Florida (Sprouls) |
| 11. | | Educational Programs Committee report | Chair Garvy |
| 12. | | Finance and Facilities Committee report | Chair Martins |
| | FF-1 | Approval | UCF Downtown Tri-Generation Facility Revision (William Merck II, Vice President for Administration and Finance and CFO) |
| | FF-2 | Approval | Facilities Planning and Construction Department Recommendations (Merck) |
| | FF-3 | Approval | Parking, Housing, and Health Auxiliary Reports (Merck) |
| | INFO-4 | Information | 2018 Finance and Facilities Committee Meeting Dates (Merck) |
| 13. | | Nominating and Governance Committee report | Chair Yeargin |

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| 14. | Strategic Planning Committee Report | Chair Brown |
| 15. | Consent Agenda | Chairman Marchena |
| | AUD-1 | Approval Board of Governors' Performance-based Funding Data Integrity Certification Audit Report (Seay) |
| | AUD-2 | Approval Performance-based Funding Data Integrity Certification Form (Seay) |
| | CL-3 | Approval 2017-20 Performance Unit Plan Awards (Sprouls) |
| | FF-4 | Approval WUCF TV Channel Sharing Agreement (Merck) |
| | FF-5 | Approval Lake Nona Incubator Lease Agreement (Merck) |
| | FF-6 | Approval UCF Finance Corporation Line of Credit for UCF Downtown Campus (Merck) |
| | NG-1 | Approval Presidential Selection Process (Scott Cole, Vice President and General Counsel) |
| | NG-2 | Approval Amendment to University Regulation UCF-3.040 Benefits and Hours of Work (Cole) |
| | NG-3 | Approval Amendments to Chapter 5 University Regulations (Cole) |
| 15. | New business | Chairman Marchena |
| 16. | Announcements and adjournment | Chairman Marchena |
| | Upcoming meetings and events | |
| | Board of Governors meeting | January 24-25, 2018
(Florida State University) |
| | Board of Governors meeting | February 22, 2018
(Conference call) |
| | Board of Trustees meeting | March 22, 2018
(<i>FAIRWINDS</i> Alumni Center) |

**Minutes
Board of Trustees Meeting
University of Central Florida
October 26, 2017**

Chairman Marcos Marchena called the meeting of the Board of Trustees to order at 1:07 p.m. in the *FAIRWINDS* Alumni Center on the UCF Orlando campus.

Chairman Marchena reminded the board that the meeting was covered by the Florida Sunshine Law and that the public and press were invited to attend.

WELCOME

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

The following board members attended the meeting: Chairman Marcos Marchena, Ken Bradley, Clarence Brown, Joseph Conte, Nicholas Larkins, John Lord, Alex Martins, Beverly Seay, William Self, John Sprouls, David Walsh, and William Yeargin. Trustees Robert Garvy and Joseph Conte attended via teleconference call.

MINUTES

Marchena called for approval of the July 20, 2017, and September 27, 2017, meeting minutes, which were approved.

In follow-up to Dr. Hitt's announcement of his retirement made earlier in the week, Marchena referred the board members to documents included in their meeting materials: the Board of Governors regulation titled "Presidential Search and Selection" and the Board of Trustees document titled "Presidential Selection: Process Guide for the University of Central Florida." Marchena reported that he has appointed Trustee Walsh as the chair of the search committee, Trustee Seay as the vice chair, and Trustee Yeargin as a member. Marchena indicated that he will name the balance of the committee no later than November 15, 2017. The search committee will recommend several search firms, and once a firm has been selected, the committee and firm will work together to identify and submit a list of candidates. The search committee and the board are subject to the Sunshine law and the meetings are open to the public.

Marchena called on President John C. Hitt for remarks and introductions.

REMARKS

Hitt announced that Trustee Ray Gilley has left the board, noting that his last meeting was in May. Hitt stated that Gilley left the university after seven-and-a-half years of service. Hitt thanked Gilley for his contributions to the university and presented him with a certificate.

He reported that this fall, UCF welcomed a school and state record 66,183 students, an increase of 2.9 percent from last fall. More significant is the university's growth in quality. The average GPA and ACT score of the fall freshman class is 4.06 and 28.1, respectively.

He stated that UCF welcomes 88 freshman National Merit Scholars, the most in school history. The total number of National Merit Scholars should put UCF in the top 10 among public institutions and in the top 30 among all institutions. The overall total of 313 National Merit Scholars is a new school record.

He announced that minority enrollment is at an all-time high of 46 percent, up from 45 percent last year. Hispanic enrollment is at 25 percent, which qualifies UCF as an Hispanic-serving institution.

He called on Trustee Seay who reported that she and other trustees contributed funds to Limbitless Solutions. Seay introduced Albert Manero of Limbitless Solutions, who addressed the board and expressed his appreciation to the board members for their support.

He announced that *CEOWORLD* magazine recently ranked the Rosen College of Hospitality Management as the second best hospitality management college in the world, advanced from No. 5 last year. He noted that in the magazine's ranking, first-place Cornell edged out UCF by 98.7 to 98.6.

He reported that in the latest *U.S. News & World Report's* rankings, UCF was the only university in Florida rated among the Top 25 most innovative schools in America. The ranking puts UCF in the company of institutions such as Stanford, MIT, Harvard, Duke, and Yale.

He noted that for the third year in a row, *Aviation Week* magazine reported that UCF supplies more graduates to aerospace and defense companies than any other university in the United States.

He reported that the UCF Downtown campus is proceeding well toward its opening in fall 2019. The underground infrastructure will be finished in December, and concrete will be poured early in the new year.

He noted that plans are advancing for the 100-bed hospital at Lake Nona with partner Hospital Corporation of America. A groundbreaking date is pending with a target opening in 2020.

He announced that work is nearing completion on the Research I Building. He stated that when this project is completed in December, the approximately 106,000-square-foot facility will feature research labs, classrooms, and offices.

He announced that construction will begin soon on a hotel on UCF property on Alafaya Trail across from McDonald's. He stated that the hotel will feature 179 rooms and conference space with an anticipated opening of spring 2019.

He announced that UCF faculty received \$136 million in research and contract funding in 2017, a year that was also marked by national recognition for the number of patents and contracts issued to UCF, tech transfer excellence, and overall innovation.

He announced that the Hispanic Association of Colleges and Universities—the nation’s premier professional organization for the support of Hispanic students, faculty, and programs—has established a Trustee Affiliate program. Hitt referred the board members to the information about this new initiative included in their meeting materials. Hitt advised that if any trustee would like to become a Trustee Affiliate of the Hispanic Association to contact Rick Schell.

He stated that the UCF women’s soccer team is ranked seventh in the nation.

He commented that it has long been known that Spirit Splash is one of the best traditions in college life. He reported that ESPN host Will Reeve, son of Superman actor Christopher Reeve, visited campus for Spirit Splash. Reeve’s story aired nationally on ESPN’s Sports Center and across its broadcast, online, and social media channels. A video of Reeve’s coverage was presented for viewing.

INTRODUCTIONS

Hitt congratulated the following UCF faculty and staff members.

A. Faculty

Varadraj P. Gurupur, assistant professor in the Department of Health Management and Informatics, was recognized with the American Health Information Management Association’s 2017 Research Triumph Award for outstanding contribution to original and applied Health Information Management research.

Alice M. Noblin, associate professor and the director of the Health Informatics and Information Management program, was recognized with the American Health Information Management Association’s 2017 Educator Triumph Award. She has worked in the College of Health and Public Affairs for the past 14 years.

Eduardo Teixeira, Department of Mathematics, received this year’s Ramanujan Prize for Young Mathematicians from Developing Countries at the International Centre for Theoretical Physics in Trieste, Italy. The prize is awarded to a researcher from a developing country who is less than 45 years of age and who has conducted outstanding research in a developing country. Professor Teixeira’s country was Brazil.

Marcy Verduin, UCF College of Medicine’s Associate Dean for Students, was elected national president of the Association for Academic Psychiatry. The association represents physicians who teach psychiatry in medical schools and residency programs across the U.S. and Canada.

B. Staff

UCF's Student Academic Resource Center received three awards from the National College Learning Center Association:

1. Frank L. Christ Outstanding Learning Center Award
2. Innovative Use of Technology Award
3. Website Excellence Award

Hitt reported that this is the first year any university has won all three awards in the history of the association. He noted that the center is a unit in Student Development and Enrollment Services and is led by Rebecca Piety, and he congratulated her and her team.

C. Employee of the Month

The Employee of the Month for July was Julie Driskel, the office manager for the Office of Research and Commercialization. She has been with UCF for three years.

The Employee of the Month for August was April Torres, the senior grants specialist in the Office of Research and Commercialization. She has been with UCF for five years.

The USPS Employee of the Year was Elba Miscannon, an executive administrative assistant to the director of the Learning Support Center of Student Development and Enrollment Services. She has been with UCF for the past seventeen years.

The Gabor Excellence A&P Award winner was Vanessa Blackmon, assistant director for the Office of Student Services at the Rosen College and the director of the Rosen College Peer Outreach Mentoring Program. She has been with UCF since 2011.

Hitt noted the visit to UCF of Bill and Melinda Gates. He reported that Communications and Marketing worked with the Gates Foundation to produce a short video about the visit, which was then presented.

PUBLIC COMMENT

Amy Zulish, an employee of the month, addressed the board and expressed her appreciation to Hitt as he completes his presidency at UCF.

REPORTS

Marchena introduced Mike Morsberger, Vice President for Development and CEO, UCF Foundation, who gave a report on the following item.

- INFO-1 IGNITE Update

ADVANCEMENT COMMITTEE REPORT

Clarence Brown, Chair of the Advancement Committee, reported the highlights from the committee meeting held earlier in the day.

- Dan Holsenbeck, Senior Vice President for University Relations, gave an update on legislative activities and the budget outlook for the 2018 legislative session. He also informed the board that UCF Day at the Capital is scheduled for November 15, 2017.
- Grant Heston, Vice President for Communications and Marketing, reported that the news conference announcing President Hitt's stepping down was seen by more than 85,000 people via Facebook live streaming. He introduced Adrienne Frame, Associate Vice President and Dean of Students, and Briant Coleman, Assistant Vice President for Student Development and Enrollment Services, who gave a presentation on UCF's Title IX Awareness and Prevention Campaign (INFO-1), a new marketing campaign titled Let's Be Clear.
- Michael Morsberger, Vice President for Alumni Relations and Development and CEO of the UCF Foundation, introduced A. Dale Whittaker, Provost and Executive Vice President, who shared a summary about the recent visit from Bill and Melinda Gates.
- He reported on the naming of the Tony and Sonja Nicholson Plaza.

Brown presented the following item for board approval.

- ADV-1 Naming of the Tony and Sonja Nicholson Plaza-A motion was unanimously approved for the naming of the Tony and Sonja Nicholson Plaza.

AUDIT, OPERATIONS REVIEW, COMPLIANCE, AND ETHICS COMMITTEE REPORT

Beverly Seay, Chair of the Audit, Operations Review, Compliance, and Ethics Committee, announced that the committee met twice since the last report, and she reported highlights from those committee meetings.

- At the August 11, 2017, committee meeting, Robert Taft, Chief Audit Executive, presented University Audit Report (INFO-1) that highlighted future audits, the rollout of the new management software, and the direct support organization consulting project.
- Rhonda L. Bishop, Chief Compliance and Ethics Officer, provided an update of the 2016-17 Work Plan Status of All Activities (INFO-2).
- She outlined the 2017-18 Compliance and Ethics Annual Work Plan (INFO-3).
- She announced the new Employee Code of Conduct, which will be in effect in the fall (INFO-4).
- She provided an update on the Department of Education's Office for Civil Rights request for information and the progress of implementing the federal NIST 800-171 cyber security requirements.

- At the October 11, 2017, committee meeting, Bishop provided an overview of Item AUDC-1 Compliance and Ethics Program Plan, which was unanimously approved and placed on the consent agenda.

COMPENSATION AND LABOR COMMITTEE REPORT

John Sprouls, Chair of the Compensation and Labor Committee, reported the highlights from the committee meeting held earlier in the day.

- Sprouls stated that Item CLC-4 2017–20 Performance Unit Plan Awards was tabled and that the following items were unanimously approved and placed on the consent agenda.
 - Item CLC-2 2014-17 Performance Unit Plan Goal Accomplishments
 - Item CLC-3 Performance Unit Plan Payments for the 2014–17 Cycle
 - Item CLC-5 The Annual Report, July 1, 2016–June 30, 2017
 - Item CLC-6 Amendment to University Regulations UCF–3.001 Non-Discrimination: Affirmative Action Programs, UCF–3.0134 Grievances Alleging Discrimination, and UCF–5.020 Religious Observances
 - Item CLC-7 Revision to University Regulation UCF–3.0122 Resignation and Nonrenewal of Non-unit Faculty and Administrative and Professional Staff Members
 - CLC-8 Article 5, AFSCME Activities; Article 7, Wages; and Article 13, Change in Assignment; of the Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the American Federation of State, County and Municipal Employees

Sprouls presented the following item for board approval.

- CL-1 Report on the Assessment of the President’s Performance and Recommendation for Compensation-The board unanimously approved the item.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Robert Garvy, Chair of the Educational Programs Committee, reported the highlights from the committee meeting on October 13, 2017.

- Paige Borden, Assistant Associate Provost for Academic Program Quality and Associate Vice President for Institutional Knowledge Management, provided a brief overview of the Academic Program Review process (INFO-1).
- Whittaker provided preliminary information on fall 2017 enrollment. He stated that UCF was named one of the nation’s most innovative universities by *U.S. News & World Report*. The magazine’s listing of best colleges ranked UCF as number 90 among public institutions and number 171 among all institutions.
- He noted that UCF will not extend its academic calendar that was shortened due to Hurricane Irma, and he reported that he is working with faculty and students to best support those impacted by the hurricane. He appointed Fernando Rivera, an associate

professor of sociology and current UCF Global Fellow, to coordinate responses to those impacted by Hurricane Maria.

- He announced the launch of three task forces, one to explore academic alignment among health professionals and clinical studies for an academic health sciences center, one to study the opportunities in urban innovation and new media leading up to the opening of UCF Downtown, and one to study how best to organize the two offices of Faculty Excellence and UCF Global.
- He presented Faculty Spotlight (INFO-2) and he introduced Cynthia Schmidt, Director of Center for Law and Policy, noting that she is the founding director of UCF Center for Law and Policy in the Legal Studies Department and will present her work with students in UCF Downtown.
- He reported on the Big and Good (INFO-3) Myth Busters campaign, offering quantitative evidence that bigger is better for students, faculty, institutions, and our community.
- Marchena indicated he intends to bring the Myth Busters presentation back before the full board at the January 2018 meeting.
- Garvy stated that the following items were unanimously approved and placed on the consent agenda.
 - Item EPC-1 Conferral of Degrees, presenting the fall 2017 graduation numbers for the commencement ceremonies of December 15, 2017.

4,487	baccalaureate degrees
633	masters degrees
<u>129</u>	doctoral and specialist degrees
<u>5,249</u>	Total
 - Item EPC-2 Tenure with Hire

FINANCE AND FACILITIES COMMITTEE REPORT

Alex Martins, Chair of the Finance and Facilities Committee, announced that the committee had met four times since the last report, and he provided highlights from the four meetings.

- Martins reported that on August 16, 2017, the following items were unanimously approved and placed on the consent agenda.
 - Item FFC-1 Amendments to University Regulation UCF-4.030 Boating on University Lakes
 - Item FFC-2 Amendments to existing University Regulation UCF-7.230 Real Property Leasing
 - He reported that Maribeth Ehasz, Vice President for Student Development and Enrollment Services, Adrienne Frame, Associate Vice President and Dean of Students, and Richard Beary, Associate Vice President and Chief of Police, presented for approval Item FFC-3 Mental Health Counseling and Public Safety Officers Implementation Plans. The student health fee was reallocated so that an additional \$.63 per student credit hour will support counseling and psychological services resulting in approximately \$1 million in new resources. This is a reallocation, not an increase in the student fee. The UCF Police Department is working to implement a multi-year plan that will allow the department to increase

- staffing without over-burdening its field-training program. The committee unanimously approved the item.
- He reported that John Pittman, Associate Vice President for Administration and Finance, Debt Management, presented for the committee's review INFO-1 University and DSO Debt Report.
- Martins reported highlights of the September 26, 2017, committee meeting.
 - Item FFC-1 Lease Agreement between Ustler Development, Inc., and Development Ventures Group, Inc., and University of Central Florida Board of Trustees was unanimously approved by the committee.
 - Item FFC-2 WUCF TV Channel Sharing Agreement was unanimously approved by the committee.
 - He reported highlights of the October 18, 2017, committee meeting and stated that the following items were unanimously approved and placed on the consent agenda.
 - Item FFC-2 Revision to Florida Solar Energy Center Rules 6C7-8.009 Fees for Solar Testing, Certification and Inspection and 6C7-8.010 Solar Thermal and Photovoltaic System Standards
 - Item FFC-3 Amendments to University Regulation UCF-4.019 Fee Policy- Payments, Refunds, and Release of Fee Liability
 - Martins reported that William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, Whittaker, and Jennifer Cerasa, Associate General Counsel, presented Item FFC-1 Commercial Lease Agreement by and between TSLF Church Street Exchange, LLC, and University of Central Florida Board of Trustees for approximately 17,189 sq. ft. of the ground floor of the Church Street Exchange located at 101 St. Garland Avenue in Orlando. The committee unanimously approved the lease.
 - He reported that Lee Kernek, Associate Vice President for Administration and Finance, presented Item FFC-4 the Revised Five-year Capital Improvement Plan for 2018-19 through 2022-23. The plan was approved by the Board of Trustees at the July 20, 2017, meeting; however, the Rosen Educational Facility needs to be revised in the three-year public education capital outlay list. This project was originally funded at 100 percent from donations, but may now be funded from 50 percent PICO and 50 percent donations. The Research Building I funding was originally requested over three years, but the entire PICO allocation is being requested in 2018-19. The committee unanimously approved the Revised Five-year Capital Improvement Plan.
 - He stated that the committee reviewed a report on Item FFC-6 Medically Integrated Fitness and Sports Performance Center in Lake Nona. This item was originally to be voted upon by the full board, but the item has been removed from the consent agenda.
 - He reported that Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, presented the UCF Investments Quarterly Report Ended June 30, 2017, (INFO-1).

- Clark presented the University Operating Budget Report Ended June 30, 2017, (INFO-2).
- Merck and Pittman gave a report on the 2016-17 Fourth Quarter Financial Reports ended June 30, 2017, (INFO-3).
- Pittman gave a report on the University and DSO Debt Report Coverage Ratios, (INFO-4) as previously requested by Garvy.
- He reported highlights from the committee meeting held earlier in the day.
 - Merck presented for approval the revised budget for Item FFC-1 Garvy Center for Student-Athlete Nutrition; a revision to the Capital Improvement Plan for 2018-19 through 2022-23; and the addition to the University of Central Florida 2015-25 Campus Master Plan Update. The project budget was previously approved at \$1.85 million as part of the 2018-23 Capital Improvement Plan at the July 20, 2017, Board of Trustees meeting. With the completion of the facility design, the new project budget is \$2.5 million. All funding is from private sources. The committee unanimously approved the requests, with Trustee Garvy recusing himself because of his personal involvement in the Garvy Center for Student-Athlete Nutrition.

Martins presented the following items for board approval.

- FF-1 Commercial Lease by and between TSLF Church Street Exchange, LLC, and University of Central Florida Board of Trustees—A motion unanimously passed approving the commercial lease.
- FF-2 Five-year Capital Improvement Plan Revised—A motion unanimously passed approving the revised plan.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

William Yeargin, Chair of the Nominating and Governance Committee, reported on the committee meeting held earlier in the day.

- Item NGC-2 Amend Nominating and Governance Committee Charter allowing the transfer of approval of regulations from the Finance and Facilities Committee to the Nominating and Governance Committee was unanimously approved and placed on the consent agenda.
- Item NGC-3 Anthony J. Nicholson Honorary Doctor of Public Service Degree was unanimously approved and placed on the consent agenda.
- Scott Cole, Vice President and General Counsel, reported on Item NGC-1 Board Policy on Delegation of Authority to the President, which was unanimously approved by the committee.

Yeargin presented the following item for board approval.

- NG-1 Board Policy on Delegation of Authority to the President—A motion was unanimously passed approving the board policy.

CONSENT AGENDA

Marchena read the consent agenda items into the record. CL-4 2017–20 Performance Unit Plan Awards was removed from the consent agenda. A motion was made to accept the consent agenda, as revised, and unanimously approved.

- AUD-1 Compliance and Ethics Program Plan—Approval of the plan
- CL-2 2014–17 Performance Unit Plan Goal Accomplishments—Approval of the plan goal accomplishments
- CL-3 Performance Unit Plan Payments for the 2014–17 Cycle—Approval of the plan payments earned by participants for the 2014-17 cycle for accomplishment of the three-year performance measures set by the Board of Trustees on November 15, 2012
- CL-5 The Annual Report, July 1, 2016–June 30, 2017—Approval of the Annual Report
- CL-6 Amendment to University Regulations UCF–3.001 Non-Discrimination: Affirmative Action Programs, UCF–3.0134 Grievances Alleging Discrimination, and UCF–5.020 Religious Observances—Approval of amendments to UCF Regulations 3.001, 3.0134, and 5.020
- CL-7 Revision to University Regulation UCF–3.0122 Resignation and Nonrenewal of Non-unit Faculty and Administrative and Professional Staff Members—Approval of the amendments to UCF Regulation 3.0122
- CL-8 Article 5, AFSCME Activities; Article 7, Wages; and Article 13, Change in Assignment; of the Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the American Federation of State, County and Municipal Employees—Ratification of the reopened articles of the 2016-19 Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the American Federation of State, County, and Municipal Employees
- EP-1 Conferral of Degrees—Approval of the conferral of degrees at the Fall 2017 commencement ceremonies
- EP-2 Tenure with Hire—Approval of tenure with hire
- FF-3 Amendments to University Regulations UCF–4.030 Boating on University Lakes—Approval of the amendments to UCF Regulation 4.030

- FF-4 Amendments to University Regulation UCF-7.230 Real Property Leasing—Approval of the amendments to UCF Regulation 7.230
- FF-5 Revision to Florida Solar Energy Center Rules 6C7-8.009 and 6C7-8.010—Approval of the revisions to the rules
- FF-6 Amendments to University Regulation UCF-4.019 Fee Policy—Payments, Refunds, and Release of Fee Liability—Approval of the amendments to the regulation
- FF-7 Garvy Center for Student-Athlete Nutrition—Approval of the Garvy Center for Student-Athlete Nutrition
- NG-2 Amend Nominating and Governance Committee Charter—Approval of an amendment to the charter
- NG-3 Anthony J. Nicholson Honorary Doctor of Public Service Degree—Approval of an Honorary Doctor of Public Service degree

NEW BUSINESS

Marchena commented on Hitt's recent decision to step down as president. He stated that he felt it essential for the completion of the IGNITE campaign, as well as the continued implementation of UCF's strategic plan, that Hitt continue to serve in a president *emeritus* status. He referred the members to a proposed President Emeritus Employment Agreement in their materials, which will go into effect July 1, 2018, for a period of one year with the ability to renew for future years as deemed necessary.

Marchena presented the following item for board approval.

- President Emeritus Employment Agreement—A motion unanimously approved the agreement.

He advised the board members that additional information had been requested from the UCF Police Department, and he referred the board to the Police Department diversity statistics included in their meeting materials and asked trustees to review it at their convenience.

He noted that the Conflict of Interest forms need to be signed and returned to Rick Schell.

He noted that the Trustee Summit will feature a breakout session for the individual boards of trustees.

ANNOUNCEMENTS AND ADJOURNMENT

Marchena announced the following upcoming meetings:

Board of Trustees retreat	October 27, 2017 (FAIRWINDS Alumni Center)
Board of Governors Trustee Summit	November 8, 2017 (Student Union)
Board of Governors meeting	November 8–9, 2017 (FAIRWINDS Alumni Center)
Commencement	December 15–16, 2017 (CFE Arena)
Board of Trustees meeting	January 18, 2018 (FAIRWINDS Alumni Center)

Marchena adjourned the board meeting at 2:31 p.m.

Respectfully submitted: _____ Date: _____
John C. Hitt
Corporate Secretary

**Minutes
Board of Trustees Teleconference Meeting
University of Central Florida
November 3, 2017**

Chairman Marcos Marchena called the teleconference meeting of the Board of Trustees to order at 8:00 a.m.

The following board members attended the meeting via teleconference call: Chairman Marcos Marchena, Trustees Kenneth Bradley, Clarence Brown, Joseph Conte, Nicholas Larkins, John Lord, Alex Martins, Beverly Seay, William Self, John Sprouls, David Walsh, and William Yeargin.

WELCOME

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

None.

NEW BUSINESS

Marchena reported on the UCF Presidential Search Committee members, and presented the following item for board approval.

- BOT-1 UCF Presidential Search Committee-A motion was unanimously passed approving the appointment of members of the presidential search committee.

ADJOURNMENT

Marchena adjourned the board meeting at 8:08 a.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary



UNIVERSITY OF CENTRAL FLORIDA

MINUTES
University of Central Florida
Board of Trustees
November 8, 2017
1:30 p.m.
FAIRWINDS Alumni Center

Chairman Marchena called the meeting of the Board of Trustees to order at 1:45 p.m. in the *FAIRWINDS* Alumni Center on the UCF Orlando campus.

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

The following board members attended the meeting: Chairman Marcos Marchena, Kenneth Bradley, Clarence Brown, Joseph Conte, Nicholas Larkins, John Lord, Alex Martins, Beverly Seay, William Self, David Walsh, and William Yeargin.

WELCOME

President John C. Hitt welcomed the trustees and guests to the November 8 meeting of the UCF Board of Trustees.

INTRODUCTION

Marchena noted the strength of the UCF online program and asked the trustees to consider supporting its expansion and refinement.

STATE LEVEL CONTEXT

Board of Governors member Ned Lautenbach provided copies of "The State University System 2025 Strategic Plan for Online Education."

DIGITAL VS DISTANCE

Provost Dale Whittaker noted that UCF's online program has been driven by student demand, that UCF has intentionally invested in faculty development to ensure excellence, and that digital learning has allowed the university to serve more students, and serve them better.

ONLINE AND ADAPTIVE CONTEXT

Thomas Cavanagh, Vice Provost for Digital Learning, discussed the advantages of online education: access, quality, and affordability. He discussed the emergence of adaptive learning and noted its ability to advance student learning. Following a discussion among the board members, the following resolution was unanimously adopted.

- **BOT-1. Development of Online, Blended, and Adaptive-Learning Courses.** Over the next three years, the university will create 50 new online or blended courses and 50 adaptive-learning courses. Professional development training will be provided to approximately 120 faculty members from a minimum of five colleges and departments. Eight technology-enhanced, active-learning classrooms will be built. A budget of \$4 million was recommended. Updates on the progress of this initiative will be given to the UCF Board of Trustees at least four times a year.

ADJOURNMENT

Marchena adjourned the board meeting at 3:00 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary

ITEM: INFO-1

**University of Central Florida
Board of Trustees**

SUBJECT: Transition Task Force Update

DATE: January 18, 2018

BACKGROUND INFORMATION

Vice Chair Garvy will present an update on the Transition Task Force.

Supporting documentation: Material forthcoming

Prepared by: UCF Communications and Marketing

ITEM: INFO-2

**University of Central Florida
Board of Trustees**

SUBJECT: Presidential Search Update

DATE: January 18, 2018

BACKGROUND INFORMATION

Trustee Walsh will present an update on the Presidential Search.

Supporting documentation: Presidential Search Marketing Plan

Prepared by: UCF Communications and Marketing

Submitted by: Grant J. Heston, Vice President for Communications and Marketing

Presidential Search Marketing Plan

We're seeking our next visionary leader.

Through an open and transparent process, we will attract and recruit our next visionary leader for the University of Central Florida who will continue the momentum of growth and achievement that UCF has experienced in our last two and half decades.

We will communicate our values and brand to potential leaders and candidates, and the higher education community at large, stating what qualities we are seeking in our fifth president.

We will promote our search through higher education publications and our digital channels.

Paid Advertising (promotional and recruitment)

- The Chronicle of Higher Education
- Diverse Issues in Higher Education
- Florida Trend
- Hispanic Outlook in Higher Education
- Insight Into Diversity
- Inside Higher Ed
- Women in Higher Education

Media and Press releases

- Press advances and advisories, media opportunities and releases will be sent directly to local, regional and national media
- Media placements and one-on-one interviews

UCF.edu channels (websites and social media)

- YouTube: Both video promotion and livestreams of committee meetings
- Facebook
- Twitter
- Instagram
- UCF.edu
- Presidential Search website
- UCF Today (news site)
- UCF email communications
- UCF jobs website

Estimated budget: \$100,000

ITEM: INFO-3

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: BRIDG and NeoCity Update – December 22, 2017

DATE: January 18, 2018

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

Supporting documentation: Attachment A: BRIDG and NeoCity Update –
December 22, 2017

Prepared by: Fran Korosec, Chief Operating Office, BRIDG – Bridging the
Innovation Development Gap

Submitted by: Elizabeth Klonoff, Vice President for Research and Dean,
College of Graduate Studies



BRIDG & NeoCity Update – December 22, 2017

BRIDG & NeoCity - Vision for High Tech / High Wage Job Creation

BRIDG, located in NeoCity, is a not-for-profit public-private partnership for sensors, optics, photonics and other advanced semiconductor devices. BRIDG focuses on the manufacturing development of innovative processes, materials and equipment and offers the infrastructure to connect challenges and opportunities with solutions for technology commercialization.

UCF signed an agreement with Osceola County in 2014 to stimulate economic growth in which Osceola agreed to develop a technology park and build a cleanroom manufacturing development center in Kissimmee. In turn, UCF agreed to lease the facility for \$1/ year for 40 years for research and form a consortium (BRIDG) to operate and conduct cooperative R&D with university, industry and government partners. Total investment to date has been over \$200M from Osceola, UCF, the Corridor, the State of Florida, USF, FIU, and University of Florida (\$132M from Osceola). The investment, with BRIDG and NeoCity as catalyst, is expected to create 5,000 high wage direct jobs and an additional 20,000 indirect jobs by 2027.

BRIDG Status – On the Verge of R&D Readiness

BRIDG was formed as a 501c6 not-for-profit corporation in 2014. Since that time, BRIDG has ramped up a team to plan & monitor construction of the new cleanroom facility; promoted BRIDG's vision with industry; defined initial technology platforms to take to market; and planned for the ramp up of operations including tool installation and process development and qualification. Although a separate legal entity from UCF, BRIDG is staffed with 29 UCF employees and is projected to grow to 34 by mid-year 2018. 22 of these individuals have degrees at the Doctorate, Masters, Bachelors, and Associates level in various STEM fields. BRIDG also supports two joint faculty appointments with UCF in the Nanoscience Technology Center and CREOL and is funding research through the UCF / National Science Foundation MIST grant.

Tool purchases (utilizing \$23M in funds provided by Osceola and the State of Florida) began in the fall of 2016 with the plan to begin tool installation as early as the spring of 2017. The BRIDG facility, however, didn't achieve substantial completion until the end of September 2017. Tool placement and installation began in October (utilizing \$6M in funds from UCF, US Dept. of Commerce, and BRIDG operations). Tool qualification will be completed by the end of May 2018, at which point BRIDG will be ready to perform on R&D projects within the available tool set.

Despite not having a finished facility and tools installed, BRIDG has already secured significant R&D project wins and strategic partnerships with key industry players. These include:

- \$3.75M in funded projects and corresponding Florida High Tech Corridor Matching Grants. This includes 3 consecutive projects with Harris Corporation for the development of ultra high-density interposers and a multi-year project with Photon-X for the development of imaging system technology and polarizers.
- BRIDG is pursuing significant near-term opportunities totaling greater than \$7M with Lockheed Martin, Draper Labs, DARPA, and the US Army. All projects fit within the BRIDG technology platforms including heterogenous device integration and photonics. Each of these opportunities have the potential of closing prior to June 2018 and will position BRIDG for significant R&D work at the new facility in 2018 and 2019.



- Strategic partnerships have been announced with imec and State University of New York (SUNY) Polytechnic, both world renowned R&D organizations in the semiconductor/nanotechnology arena. BRIDG will transfer imec’s silicon photonics process technology to the BRIDG facility and will leverage imec’s expansive customer base in commercial markets while BRIDG leads efforts with the US-based aerospace/defense market. The recently announced SUNY relationship will leverage their CMOS-based infrastructure in Albany, NY and the federally funded AIM Photonics initiative.
- BRIDG will soon announce a significant partnership to establish the first of its kind Digital Twin for the Semiconductor Industry at BRIDG. BRIDG will secure a multimillion dollar software donation that will result in a unique platform for the semiconductor industry.

NeoCity Status – Unique Opportunity for High Tech Ecosystem Growth

BRIDG and NeoCity go hand-in-hand as a catalyst for high tech ecosystem growth in Florida. Much like the UCF College of Medicine and Lake Nona Medical City, BRIDG provides a key R&D anchor that private industry would want to co-locate with. To complement this, NeoCity provides land availability (500-acres) not commonly found adjacent to a facility like BRIDG. Osceola County intends to incentivize development by providing over 60% of the land free-of-charge or below market cost to encourage industry commitment to the region.

Early success in this regard comes from the commitment of imec to move from its current modular office to rented space in a new 100,000 ft² office building in NeoCity that will begin construction in spring 2018. Imec intends to grow to over 150 people in the coming years.

In addition to imec, NeoCity is one of two finalists for a new facility under the code name “Project Renaissance”. Project Renaissance will make a site selection in January 2018 that will result in an 1,800-person high-tech manufacturing facility. Project Renaissance will also work with BRIDG and the UCF/Florida Solar Energy Consortium for advances in solar cell performance and manufacturability. If not for BRIDG and NeoCity, this opportunity would not have materialized in the region. There are four other projects of similar nature being pursued for NeoCity, each of which will result in new construction, high wage jobs, and BRIDG R&D opportunities.

Another significant development is Osceola School District’s announced plan to build a “STEM Demonstration High School” adjacent to BRIDG in NeoCity. The inaugural freshman class will begin in temporary space in the fall of 2018 while the new school is under construction. This STEM-based high school will offer rigorous study for up to 700 students. UCF is partnered with the school to provide research opportunities for best practices in STEM education. This is a key component for enhancing STEM workforce development to support NeoCity’s growth.

New Opportunities for UCF

UCF will directly and indirectly benefit from its involvement and support of BRIDG and NeoCity. These benefits include but are not limited to:

- Incremental growth in contract and grant income from BRIDG/imec funded R&D projects
- Licensing/royalty opportunities for UCF intellectual property via BRIDG’s industry partners and manufacturing development infrastructure
- Faculty access to 8” semiconductor wafer fabrication tools
- Opportunity to place research / metrology tooling at BRIDG to free up lab space at UCF



- Opportunity for joint appointments with BRIDG
- New research opportunities with the Semiconductor Digital Twin
- Permanent high wage employment opportunities for UCF graduates at BRIDG and NeoCity
- UCF student internship opportunities at BRIDG and NeoCity
- Participation in the Osceola STEM Demonstration High School by the UCF Colleges of Education, Science, Engineering & Computer Science, and Optics/Photonics.

Impacts and Risks to Success

BRIDG and NeoCity are off to a good start, however this project's success will not be fully realized for many years. BRIDG's ability to sell R&D projects has many dependencies that will throttle revenue generation and the resulting growth in the buildout of NeoCity.

A significant impact to BRIDG has been the delay in achieving substantial completion of the facility. The facility's originally planned completion date was March 2017, however actual completion occurred at the end of September. This has introduced delay with tool installation and qualification as well as an impact to business development momentum and customer enthusiasm.

The most significant impact to BRIDG has been the unrealized startup funding from the State of Florida. When UCF entered the agreement with Osceola County in 2014, the intended plan was to secure \$125M (\$25M per year for 5 years) from the State starting July 2015. To date \$24.5M on what would have been a \$75M plan has been secured. In addition, Plant Operations and Maintenance funds have not been approved by the Legislature in the last two fiscal years requiring BRIDG to absorb \$1.2M per year from its operational budget to cover the deficiency.

The funding shortfall has introduced issues including:

- Inability to purchase needed tools (most notably fine line lithography and MOCVD tools totaling \$20M installed cost) that would serve R&D projects for potential customers.
- Inability to properly staff facility ramp-up for tool qualification and process development. BRIDG has a well-qualified staff but is budget constrained by at least 6 critical positions (process/equipment engineers and technicians). This was recently validated by a BRIDG Technical Advisory Board member and former senior executive with Motorola.

To improve the situation the following activities are being pursued:

- Upcoming Legislative Session – pursuing an increase in recurring BRIDG operations funding to \$8M/year from \$5M.
- Upcoming Legislative Session – pursuing \$10M for tools in concert with the long-term plan to ascertain \$50M over five years. To date, the Legislature has approved \$12M for tools (\$8M under the total funding request over the last two legislative sessions).
- Working Capital - BRIDG leadership is investigating the refinance of existing tools and establishing a line of credit. The capital made available will be used to purchase additional tools and cover some operating expenses as R&D contracts grow over time.

Bottom line, BRIDG's ability to sell R&D projects and deliver on the high wage job creation vision is throttled. As J. Charles Gray (community leader and founder of GrayRobinson law firm) has noted on various occasions, "We have built a brand new state-of-the-art rocket ship with BRIDG, but it needs fuel to get off the launch pad."



BRIDG Facility – August 2017



NeoCity Rendering (source: Perkins & Will Master Plan – March 2017)



Front of Class 100 Cleanroom - 1st Tool Placed - October 2017



Front of Class 100 Cleanroom - Tools Placed - December 2017



Back of Class 100 Cleanroom - Tools Placed - December 2017

ITEM: ADV-1

**University of Central Florida
Board of Trustees
Advancement Committee**

SUBJECT: Naming of the Roth Athletics Center

DATE: January 18, 2018

PROPOSED COMMITTEE ACTION

Approve naming of the Roth Athletics Center upon the completion of the pledge payment by the donors. The naming is requested in grateful recognition of the generous contributions by Susan and Jerry Roth to the University of Central Florida and the UCF Athletics Association, Inc.

BACKGROUND INFORMATION

On August 31, 2016, Jerry S. Roth entered into an agreement with the University of Central Florida Foundation, Incorporated. The donor made an anonymous charitable gift commitment to the Foundation to be applied to the construction of certain improvements including an Athletics Administration Building at UCF. Recently, the donors made their desire to move from anonymous to being identified. The fund is designated on the books and records of the Foundation as the “Roth Athletics Football Expansion Projects.”

Physical naming of the Roth Athletics Center is conditioned upon receipt of \$1,600,000 to the Fund, \$1,200,000 of which has been received. The donor will make annual contributions of \$100,000 over the next four years each August on the date of the initial contribution. Previously, the Roths were publicly recognized with the modifier “following approval by the UCF Board of Trustees” until that approval is obtained.

Supporting Documentation: Attachment A: 9.005 Naming of Buildings and Facilities

Prepared by: Margaret Jarrell-Cole, Associate Vice President and
Legal Counsel, UCF Foundation, Inc.

Submitted on behalf of: Michael J. Morsberger, Vice President for Advancement and
Chief Executive Officer of the UCF Foundation, Inc.

Attachment A

9.005

Naming of Buildings and Facilities

The naming of any building, road, bridge, park, recreational complex, other similar facility or educational site, as defined in Board regulation 8.009, (collectively referred to as a “University Facility”) of a state university for individuals or groups who have made significant contributions to the university or the state of Florida is the prerogative and privilege of the State University System of Florida and is vested in the Board of Governors. The Board of Governors hereby delegates such approval authority to each university board of trustees provided that the board of trustees establishes procedures for the naming of such University Facilities to include the following elements:

(a) The naming of any University Facility must be approved by the board of trustees as a noticed, non-consent agenda item.

(b) Non-gift related honorary naming of a University Facility should be reserved for individuals who have made significant contributions to the university or to the state of Florida or to the fields of education, government, science or human betterment and who are of recognized accomplishment and character. Honorary naming of a University Facility is not allowed for any active board member or employee of the Board of Governors or any active employee, student, or trustee of the university.

(c) Gift-related naming of a University Facility requires a donation which makes a significant contribution to the cost of the University Facility, or for an existing facility, significant improvements, both as established by the board of trustees’ policy. The limitations set forth in paragraph (b) are not applicable to gift-related naming of a University Facility.

Authority: Section 7 (d), Art. IX, Fla. Const., History—Formerly 6C-9.005, 11-3-72, Amended 12-17-74, 8-11-85, Amended and Renumbered as 9.005, 3-27-08. Amended 11-21-13.

ITEM: BOT-1

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: UCF Academic Health Proposal

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve recommendation by UCF Academic Health to pursue a lease on the Sanford Burnham Prebys Medical Research Institute at Lake Nona facility in partnership with Provision Health Care and Sarah Cannon, the Cancer Institute of HCA Healthcare, for the purpose of advancing cancer research.

Supporting documentation: none

Prepared by: Rick Schell, Vice President and Executive Chief of Staff

**Submitted by: Deborah German, Vice President for Medical Affairs and
Dean of the College of Medicine**

ITEM: CL-1

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Presidential Compensation Analysis

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve a presidential compensation analysis as part of the presidential search process, as required by the Florida Board of Governors.

BACKGROUND INFORMATION

The Florida Board of Governors requires that UCF's Presidential Search Committee conduct an executive compensation analysis to guide the Board of Trustees when negotiating an agreement with a new president.

The analysis provides the data foundation from which the UCF Board of Trustees will negotiate an agreement with the new president.

At the committee's first meeting on November 20, 2017, the members unanimously voted to use an independent, third-party firm, chosen at the discretion of the university, to complete the study. UCF selected Sibson Consulting, and the firm conducted a study of the compensation of comparison, aspirational, and State University System presidents. Comparison and aspirational institutions are from the Collective Impact Strategic Plan.

The search committee unanimously approved the analysis at its meeting on January 10, 2018.

Supporting documentation:

Attachment A: President Market Compensation Assessment

Prepared by: Grant J. Heston, Vice President for Communications and Marketing

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

Attachment A



University of Central Florida

**PRESIDENT MARKET
COMPENSATION ASSESSMENT**

January 8, 2018

Attachment A

Introduction and Study Methodology

- The University of Central Florida (“UCF” or “the University”) engaged Sibson Consulting (“Sibson”) to conduct a market compensation assessment to prepare for the contract negotiations for the new President
- Data was gathered from The Chronicle of Higher Education Executive Compensation database (“the Chronicle”) for Fiscal Year 2015 – 2016
- Data for the State University System of Florida (“SUS” or “the System”) is also provided and reflects the 2016 – 2017 Presidential Compensation Survey (as of June 30, 2017) conducted by the System
- Market data was aged to July 1, 2018 using a 2.7% annual update factor for base salary, incentives, other compensation, and retirement and deferred compensation, and an 8% update factor for non-taxable benefits¹

Key Compensation Terms Presented

- **Total Cash Compensation (TCC):** Reflects the sum of base salary and bonus/incentive compensation
- **Total Remuneration (TR):** Reflects the sum of total cash compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits
- **Percentile:** Reflects a competitive position within the group. A percentile is a measurement indicating the relative positioning within a group of observations. For example:
 - The 20th percentile is the value below which 20% of the observations may be found
 - If a value is at the 86th percentile, it is higher than 86% of the data points

¹ Source: Sibson’s Annual Compensation Planning Survey analyzing salary increase budgets by industry and job classification.

Attachment A

Introduction and Study Methodology *continued*

Data Sources and Definitions

Compensation Component	Data Source: The Chronicle of Higher Education Compensation Database
Base Salary	Total base salary provided to the chief executive, including compensation from private university-related foundations
Bonus and Incentive Compensation	The value of all bonuses and incentive compensation paid out to the chief executive
Other Compensation (Taxable)	Miscellaneous pay and benefits, including, tax gross-ups (money an employer provides an employee for taxes paid on benefits), vacation leave cashed out, debt forgiveness, fellowships, employer-provided vehicles and parking, housing payments, travel, meals, moving expenses, entertainment, spending accounts, and club dues. May also include interest accrued on deferred compensation.
Retirement and Deferred Compensation	Payments made by the university on behalf of the chief executive to a retirement plan that is available to any university employee during the fiscal year. This can include 401(k) plans, state pension plans, and other retirement plans that are broadly available <i>plus</i> deferred compensation set aside in the fiscal year covered that is to be paid out in future years. This includes contributions to supplemental executive retirement plans and does not overlap with any compensation paid out in the reported year.
Nontaxable Benefits	Health and medical benefits, life insurance, housing provided by the employer, personal legal and financial services, dependent care, adoption assistance, tuition assistance, and cafeteria plans.

Attachment A

Table of Contents

This report is organized into the following sections:

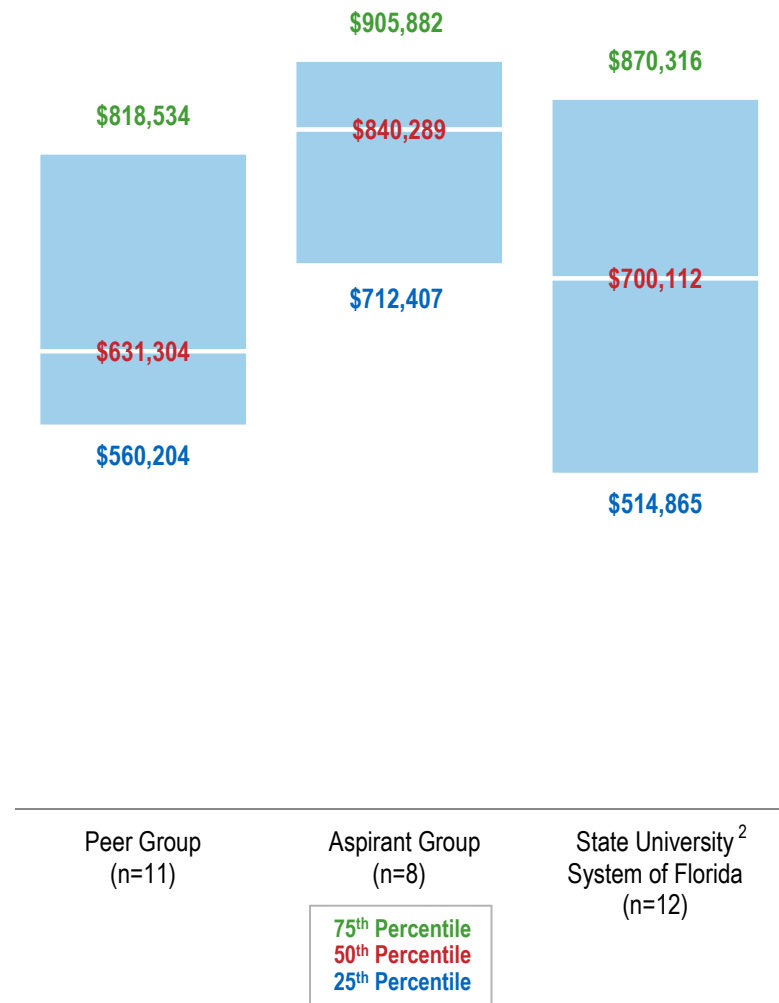
- 1. Market Assessment Results:** Details and summarizes market compensation levels for various pay components for the peer group as well as for the State University System of Florida; summarizes Presidential perquisites
- 2. Executive Compensation Practices and Governance in Higher Education:** High-level summary of additional trends within Higher Education related to executive compensation and description of effective and emerging governance practices; for informational purposes only

Market Assessment Results Attachment A

Executive Summary

- **Total Remuneration:**^{1,2} Median total remuneration for the comparison peers is ~\$630,000. The median for the aspirational peers is ~\$840,000, approximately 30% higher. The median for SUS institutions is ~\$700,000
- **Bonus and Incentives:** Five comparison peers (45%) and three aspirational peers paid an incentive/bonus with an average value of ~\$75,000 and ~\$160,000, respectively. Bonus/incentives are significantly more prevalent at SUS institutions with all but four institutions paying an incentive/bonus with an average value of ~\$140,000
- **Retirement and Deferred Compensation:** Ten comparison peers (91%) and seven aspirational peers (88%) provided a retirement benefit at a median value of ~\$36,000. Seven comparison peers (64%) and three aspirational peers (38%) offered deferred compensation, at an average value of ~\$190,000 and ~\$180,000, respectively
- **Perquisites:** 82% of comparison peers provided a housing benefit and an automobile benefit, either provided by the institution or as an annual allowance. 75% of aspirational peers provided housing and 88% provided an automobile benefit. Additional perquisites provided include health or social club dues, personal services, cellular phone allowances, and executive life insurance. This is generally consistent with the SUS institutional practices

TOTAL REMUNERATION¹



¹ Total Remuneration reflects the sum of base salary, bonus and incentive compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits.

² SUS compensation data reflects the sum of base salary, bonus, other cash compensation, annuity, housing allowance, and car allowance.

Market Assessment Results Attachment A

Executive Summary continued

Criteria Evaluated	Comparison Peers (N=11)	Aspirational Peers (N=8)
Base Salary	<ul style="list-style-type: none"> • Median: \$484,520 • P25th – P75th: \$433,462 – \$541,399 • P25th – P75th Range Spread: 25% 	<ul style="list-style-type: none"> • Median: \$566,748 • P25th – P75th: \$529,015 – \$637,937 • P25th – P75th Range Spread: 21%
Bonus & Incentive Compensation	<ul style="list-style-type: none"> • Prevalence: 45% • Average Value: \$73,752 • Payout Range: \$791 to \$157,508 	<ul style="list-style-type: none"> • Prevalence: 38% • Average Value: \$158,473 • Payout Range: \$105,473 to \$211,737
Retirement & Deferred Compensation	<ul style="list-style-type: none"> • Retirement Prevalence: 91% • Median Value: \$36,214 per year (retirement only) • Deferred Compensation: 64% offer deferred compensation, all but one in addition to retirement—average value of \$188,746 	<ul style="list-style-type: none"> • Retirement Prevalence: 88% • Median Value: \$36,134 per year (retirement only) • Deferred Compensation: 38% offer deferred compensation in addition to retirement—average value of \$179,076
Perquisites	<ul style="list-style-type: none"> • Housing: 82% (either provided by the institution or an allowance) • Automobile: 82% (either provided by the institution or an allowance) 	<ul style="list-style-type: none"> • Housing: 75% (either provided by the institution or an allowance) • Automobile: 88% (either provided by the institution or an allowance)
	<ul style="list-style-type: none"> • Other perquisites offered by both groups include personal services, health or social club membership, cellular phone allowances, and executive life insurance 	
Pay Mix	<ul style="list-style-type: none"> • 76% cash¹ / 24% non-cash 	<ul style="list-style-type: none"> • 79% cash¹ / 21% non-cash
Total Remuneration²	<ul style="list-style-type: none"> • Median: \$631,304 • P25th – P75th: \$560,204 – \$818,534 • P25th – P75th Range Spread: 46% • Two institutions have total remuneration above \$1,000,000 	<ul style="list-style-type: none"> • Median: \$840,289 • P25th – P75th: \$712,407 – \$905,822 • P25th – P75th Range Spread: 27% • One institution has total remuneration above \$1,000,000

¹ Reflects the sum of base salary, bonus and incentive compensation.

² Total Remuneration reflects the sum of base salary, bonus and incentive compensation, other taxable compensation, retirement and deferred compensation, and nontaxable benefits.

Attachment A

1. Market Assessment Results

- 2. Executive Compensation Practices and Governance in Higher Education
- 3. Appendix

Attachment A

Introduction to Market Assessment

The following pages presents the market results including the following analyses:

- 1. Total Remuneration Summary:** Market levels for all components of pay. Includes medians as well as other percentiles
- 2. Pay Mix:** Mix of cash and non-cash compensation in the market
- 3. Total Remuneration and Total Expenses Regression:** A regression showing the strength of the relationship between a President's total remuneration and the institution's total expenses. Since total expenses are a reflection of the institution's size and complexity, it often shows a relationship to compensation among the comparison group

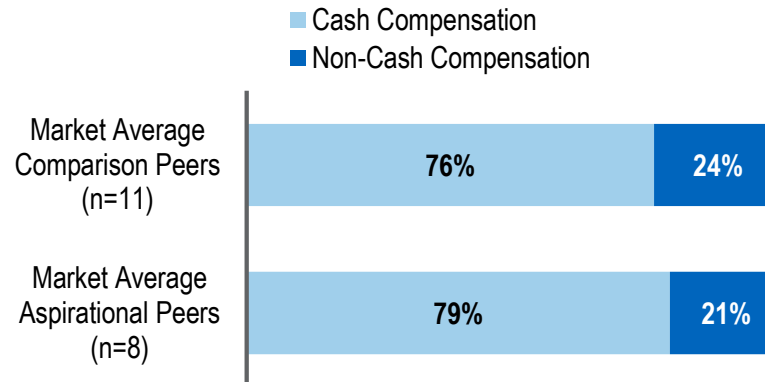
Market Assessment Summary Attachment A

Comparison and Aspirational Peers

TOTAL REMUNERATION SUMMARY

		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	Total Remuneration
Comparison Peers (N=11)	25 th Percentile	\$433,462	\$0	\$433,462	\$0	\$68,592	\$5,971	\$560,204
	Median	484,520	0	517,776	252	105,473	19,370	631,304
	75 th Percentile	541,399	65,679	576,461	2,500	205,082	27,719	818,534
	90 th Percentile	603,449	79,105	656,186	26,475	259,886	32,848	1,122,489
Aspirational Peers (N=8)	25 th Percentile	529,015	0	529,015	0	29,221	4,799	712,407
	Median	566,748	0	566,748	0	93,059	10,979	840,289
	75 th Percentile	637,937	118,657	801,269	0	180,907	16,242	905,822
	90 th Percentile	744,717	174,268	896,585	174,030	246,864	75,198	1,203,158

PAY MIX: CASH VS. NON-CASH

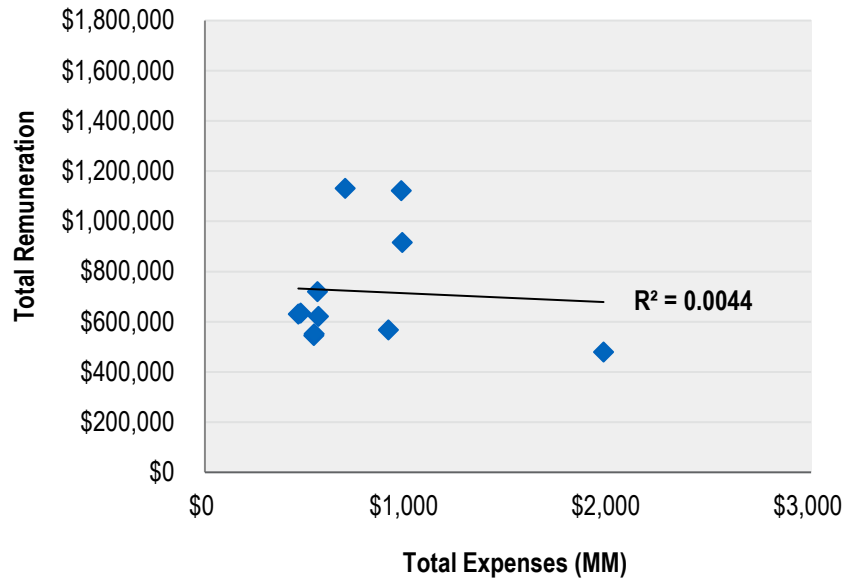


Market Assessment Summary *continued*

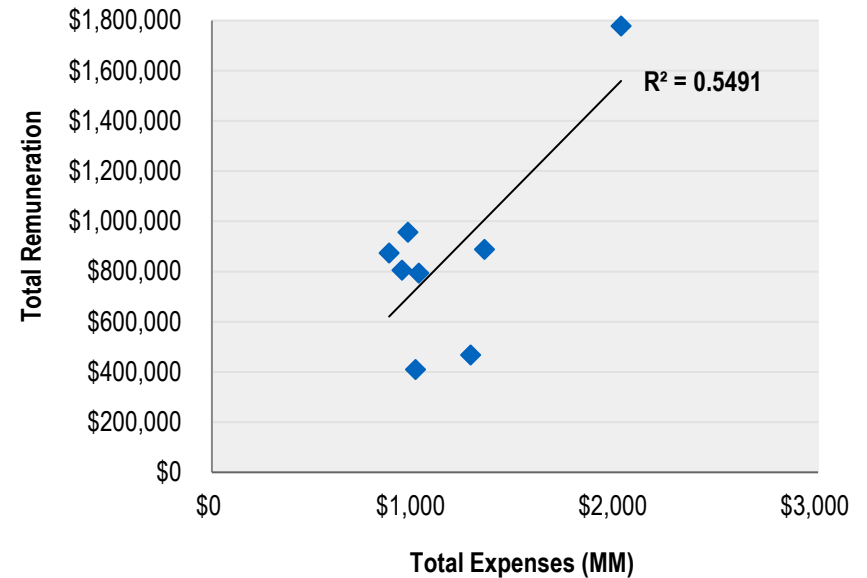
Comparison and Aspirational Peers

TOTAL REMUNERATION AND TOTAL EXPENSES REGRESSION

**Comparison Peers
(n=11)**



**Aspirational Peers
(n=8)**



Market Compensation Details Attachment A

Comparison Peers

TOTAL REMUNERATION DETAILS (n=11)

Institution Name	Incumbent Name ¹	Market Data						Total Remuneration
		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	
Georgia State University	Mark P. Becker	\$565,023	\$0	\$565,023	\$0	\$553,191	\$14,102	\$1,132,315
Kent State University	Beverly J. Warren	484,520	79,105	563,625	0	126,717	30,653	720,995
Portland State University	Marinus Wilhelmus Wievel	423,685	0	423,685	3,911	181,231	22,478	631,304
San Diego State University	Elliot L. Hirshman	443,239	0	443,239	1,088	68,357	32,848	545,533
University of Akron	Scott Scarborough	517,776	0	517,776	0	92,049	24,786	634,611
University of Delaware	Nancy Targett	462,847	0	462,847	40,607	45,828	19,370	568,652
University of Houston	Renu Khator	735,039	157,508	892,548	1,008	228,933	0	1,122,489
University of New Mexico	Robert G. Frank	374,429	0	374,429	0	105,473	0	479,902
University of North Carolina—Charlotte	Philip L. Dubois	408,707	791	409,499	26,475	68,826	46,956	551,755
University of Texas—Arlington	Vistasp Karbhari	509,277	78,622	587,899	252	22,391	11,941	622,484
Virginia Commonwealth University	Michael Rao	603,449	52,736	656,186	0	259,886	0	916,072
Comparison Peers (n=11)	25 th Percentile	433,462	0	433,462	0	68,592	5,971	560,204
	Median	484,520	0	517,776	252	105,473	19,370	631,304
	75 th Percentile	541,399	65,679	576,461	2,500	205,082	27,719	818,534
	90 th Percentile	603,449	79,105	656,186	26,475	259,886	32,848	1,122,489

¹ Reflects the incumbent at the time of data collection in The Chronicle of Higher Education survey.

Market Compensation Details Attachment A

Aspirational Peers

TOTAL REMUNERATION DETAILS (n=8)

Institution Name	Incumbent Name ¹	Market Data						Total Remuneration
		Base Salary	Bonus & Incentive Compensation	Total Cash Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits	
Arizona State University	Michael M. Crow	\$884,346	\$158,209	\$1,042,555	\$580,101 ²	\$137,642	\$18,196	\$1,778,494
Auburn University	Jay Gogue	567,449	0	567,449	0	298,066	8,505	874,020
North Carolina State University	W. Randolph Woodson	622,290	211,737	834,027	0	48,475	6,399	888,901
Oregon State University	Edward J. Ray	566,048	0	566,048	0	224,920	15,591	806,559
University of Cincinnati	Santa J. Ono	553,733	0	553,733	0	31,836	208,202	793,771
University of Colorado at Boulder	Philip DiStefano	454,863	0	454,863	0	0	13,453	468,317
University of Nebraska at Lincoln	Harvey S. Perlman	388,648	0	388,648	0	21,375	0	410,023
University of South Carolina at Columbia	Harris Pastides	684,877	105,473	790,350	0	166,236	0	956,585
Aspirational Peers (n=8)	25 th Percentile	529,015	0	529,015	0	29,221	4,799	712,407
	Median	566,748	0	566,748	0	93,059	10,979	840,289
	75 th Percentile	637,937	118,657	801,269	0	180,907	16,242	905,822
	90 th Percentile	744,717	174,268	896,585	174,030	246,864	75,198	1,203,158

¹ Reflects the incumbent at the time of data collection in The Chronicle of Higher Education survey.

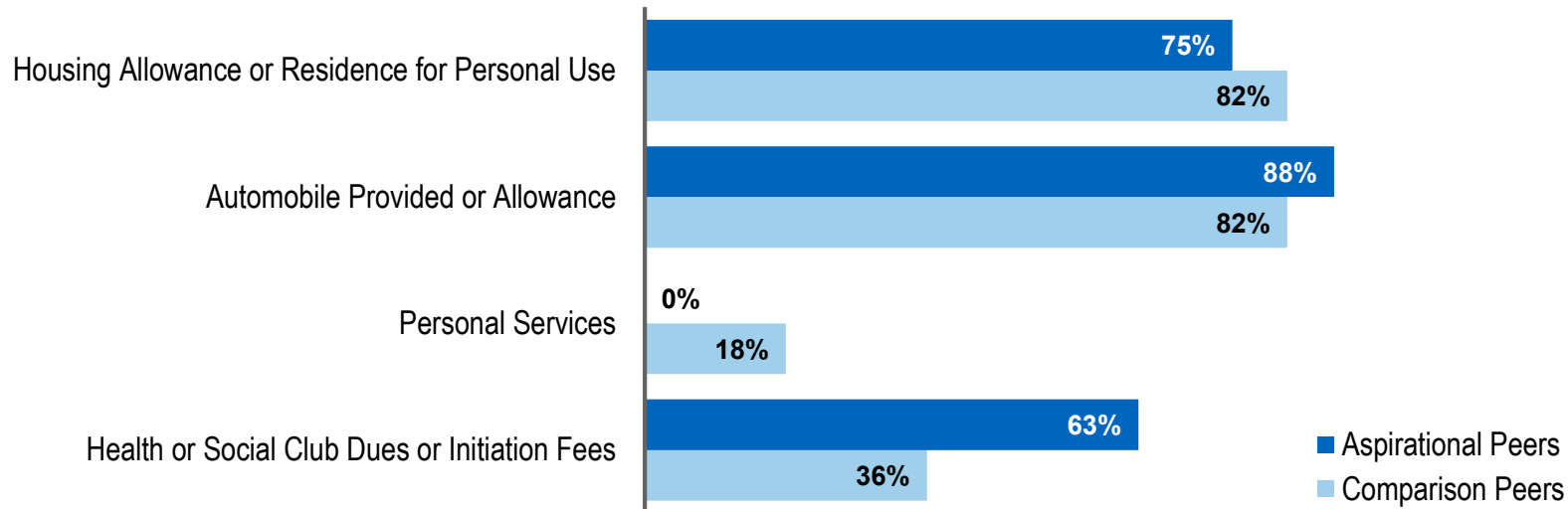
² Amount shown and reported reflects a 10-year retention bonus payout.

Perquisite Prevalence

Attachment A

Comparison and Aspirational Peers

PREVALENCE OF PERQUISITES Percent of Institutions Providing



- The perquisites reported above only include categories reported by The Chronicle of Higher Education. The value of these and other benefits and perquisites (both taxable and non-taxable) is now reported for the first time by the Chronicle, and is included as part of Total Remuneration in this report
- However, based on our review of the data and our experience conducting similar studies, we believe that many respondents are not reporting the value of these perquisites in their data submissions to the Chronicle. Specifically, while 82% of comparison institutions report providing housing and auto perquisites, approximately half have a value reported in other compensation

Market Compensation Details Attachment A

State University System of Florida (SUS)

State University System of Florida 2016-17 PRESIDENTIAL COMPENSATION SURVEY (as of June 30, 2017)

Institution Name	President	Total Salary ¹	Bonus ²	Total Other ³	Annuity ⁴	Housing Allowance ⁵	Car ⁶	Total Compensation
Florida Agricultural and Mechanical University	Larry Robinson	\$385,000	\$0	\$0	\$0	\$43,867	\$15,040	\$443,907
Florida Atlantic University	John William Kelly	459,034	120,000	1,925	62,640	Provided by University	Yes	643,599
Florida Gulf Coast University	Wilson Bradshaw	425,823	145,000	1,985	63,717	50,000	Yes	686,525
Florida International University	Mark B. Rosenberg	502,578	100,000	99,620	0	Provided by University	11,500	713,698
Florida Polytechnic University	Randy Avent	411,622	79,695	0	37,000	0	10,200	538,517
Florida State University	John Thrasher	501,967	100,000	108,655	0	Provided by University	10,800	721,422
New College of Florida	Donal O'Shea	275,000	0	0	41,250	36,000	5,000	357,250
University of Central Florida	John C. Hitt	505,730	164,475	502,787 ⁷	101,146	Provided by University	Yes	1,274,138
University of Florida	W. Kent Fuchs	872,900	0	310,000	0	Provided by University	0	1,182,900
University of South Florida	Judy Genshaft	491,609	175,000	502,787	98,700	0	11,856	1,279,952
University of West Florida	Martha Saunders	334,769	0	1,950	58,196	24,000	14,000	432,915
University of North Florida	John A Delaney	397,490	218,500	9,188	79,804	53,366	7,773	766,121
	25th Percentile	394,368	39,848	1,444	18,500	36,000	7,773	514,865
	50th Percentile	442,429	100,000	5,587	58,196	43,867	10,800	700,112
	75th Percentile	502,120	154,738	158,991	71,761	50,000	11,856	870,316
	90th Percentile	505,415	175,000	483,508	98,700	52,020	14,208	1,265,014

¹ Annual contract salary, including salary increases for the specified year, paid from State funds plus the annual salary supplement, if any, paid from non-State funds.

² Actual amount of any bonuses provided during the fiscal year.

³ Amount of annual State contract compensation, if any, for items other than salary and housing (exclude fringe benefits) plus annual amount of all other compensation, if any, provided from non-State sources.

⁴ Annual amount contributed, if any, to an annuity.

⁵ Annual amount, if any, for housing allowance provided from other than State sources.

⁶ If funds are provided for a car, the annual amount provided.

⁷ Reflects retention incentive of \$491,000, which is equal to one year of additional base salary paid for FY 2013-2014 and paid out in July 2016 per the 5th Amended and Restated Employment Agreement, Section 8.5 with Dr. John Hitt.

Attachment A

1. Market Assessment Results

2. Executive Compensation Practices and Governance in Higher Education

3. Appendix



Attachment A

Introduction

Changing Landscape of Executive Pay

Over the last two decades there has been significant change in the executive compensation landscape within Higher Education. This landscape has been defined by a host of factors, including volatile financial markets, external regulatory influences, and the evolution of management practices within the industry.

Drivers of Change

1. More complex leadership roles with greater demands and pressures
2. Financial constraints, including less state funding for public institutions
3. Intense media attention, especially concerning pay levels
4. Increasing regulatory scrutiny
5. Greater transparency and availability of pay information
6. The growing importance of fundraising efforts
7. An increasing number of executives and trustees coming from the private sector (with corresponding management perspectives)
8. Aging of the executive workforce and expectations for generational transition

The evolving landscape has produced trends and emerging executive compensation practices which are summarized on the following pages.

Attachment A

Trends in Higher Education Executive Compensation

Institutions are looking more strategically at executive compensation. Below are topics currently gaining traction within Higher Education Board rooms:

- 1. Competitive Market Intelligence:** There is an ever increasing demand for data and analysis frequency; many institutions are experiencing “survey fatigue” as peers continue to ask for more detailed information.
- 2. Pay Levels:** Executive pay levels have been rising significantly, driven by competitive markets for talent, increased pay transparency,¹ and broader market practices in the private sector. Based on our client studies, we estimate that the total cost of executive compensation has increased at a rate of 4% – 7% annually since 2010.
- 3. Optics and Transparency of Pay:** As compensation levels have increased, there is a more vigilant focus on optics and how programs will be perceived, both within the institution and externally. Given intense media and public scrutiny over perceptions of excessive compensation, programs need to be unassailable with a defined rationale for decision-making.
- 4. Peer Groups:** The peer group development process is becoming more sophisticated. In addition to traditional criteria such as institutional size, as measured by operating budget and student FTE, consideration is being given to funding sources, endowment, retention rate, graduation rate, admission yield, student-to-faculty ratio, geography, etc. The number of institutions included in the peer group is also increasing to ensure sufficiency of data, and a representative sample of practices when compared over time (i.e., 20 – 30 institutions is recommended). Several institutions also examine an aspirational peer group of schools.

¹ While counterintuitive, greater transparency of compensation frequently leads to increasing pay levels across the market as leaders strive to be paid at or above the median. It is related to the Lake Wobegon Effect which is defined as a natural human tendency where all or nearly all of a group claim to be above average.

Attachment A

Trends in Higher Education Executive Compensation *continued*

- 5. Prevalence of Incentives:** The use of incentive pay among executives has been increasing across Higher Education. Between 20% – 30% of institutions provide incentives broadly among the executive team. This has risen from 10% – 20% over the last ten years. Incentives are used more prevalently in private vs. public institutions. We expect this growth to continue because of the following:
- Gradual transition to a traditional business-oriented management model
 - Financial constraints, competing interests for capital, and the need for efficiency calls for more pay-at-risk
 - An influx of executive talent from outside of Higher Education; these leaders are accustomed to variable pay
 - Boards of Trustees are also increasingly comfortable governing variable pay
 - A desire to increasingly differentiate compensation for the institutions' best performing executives
- 6. Executive Benefits and Perquisites:** The variety of executive benefit and perquisite offerings is increasing, as are institutions' investments in such programs. Common programs include housing, car allowances, executive physicals, country club memberships, sports tickets/suites, first class travel, spousal travel, and financial/estate planning services. A recent survey of 40 prestigious public and private institutions conducted by Sibson found that 30% provided greater than \$10,000 in annual perquisite value to non-presidential executives (excluding housing). 50% of presidents receive more than \$25,000 in perquisites annually.
- 7. Deferred Compensation Arrangements:** In addition to retirement plans provided to all employees, executives are increasingly provided supplemental executive compensation plans or deferred compensation arrangements as part of their compensation package. A survey conducted by Sibson found that between 40% – 60% of large universities provide select executives additional deferred compensation benefits above the qualified limits. Alternatives include 457(b) and 457(f) plans, executive life insurance arrangements, and cash retention arrangements.

Attachment A

Trends in Higher Education Executive Compensation *continued*

- 8. Executive Compensation Governance:** As the scrutiny over executive compensation has increased, Higher Education institutions have gradually been implementing changes in their governance practices and tools. In doing so, the most progressive institutions have looked to the corporate sector to adopt practices employed by public and private companies, and apply them within the unique environment of Higher Education. Compensation oversight practices should be based on sound governance principles, the institution's unique culture and operating dynamics, and the strength of the overall governance model. Emerging governance trends include:
- More explicit Compensation Committee charters
 - Formal annual calendars and standing agendas
 - Decision-rights matrices that define accountability for specific actions and decisions related to compensation
 - A rigorous Presidential assessment process
 - Competitive assessment analytics and other tools to guide decisions about how and how much to pay. These include tally sheets, total compensation statements, termination scenario analysis, etc.
- 9. Succession Planning:** There is a significant number of Presidents and other executive roles that are approaching retirement age. A recent study by the American Council on Education found that ~60% of Chancellors/Presidents are older than age 61; in 2007 it was only 49%.¹ As more executives approach retirement, it creates competition in the market, which makes it more difficult to find candidates and increases the cost of hire. While the vast majority of institutions have a predisposition to conduct external searches, many have begun exploring internal succession planning protocols, in an effort to develop talent from within, promote continuity, and ensure a smooth transition from one leader to the next.

¹ "On the Pathway to the Presidency 2013."

Attachment A

Executive Compensation Governance

As the scrutiny over executive compensation has increased, Higher Education institutions have gradually been implementing changes in their governance practices and tools. In doing so, the most progressive institutions have looked to the corporate sector to adopt practices employed by public and private companies, and apply them within the unique environment of Higher Education.

There are no universal boiler plate solutions for committees to adopt. Compensation oversight practices should be based on sound governance principles, the institution's unique culture and operating dynamics, and the strength of the overall governance model.

This section provides an overview of state of governance in Higher Education and includes the following:

1. Foundations of Effective Compensation Committees: Typical Role and Purview
2. Tools and Resources for Effective Compensation Governance:
 - Executive compensation philosophy
 - Compensation Committee charter/operating guidelines
 - Decision rights and responsibilities
 - Annual calendar
 - Tally sheets
 - Termination scenarios

Foundations of Effective Compensation Committees

Typical Role and Purview

Annual Responsibilities

- Review executive pay competitiveness and efficacy
- Presidential evaluation
- Presidential compensation recommendations and approval
- Review and approval of institution-wide merit budget
- Talent review and approval of compensation for key executives (led by President)
- Succession planning assessment

Ongoing Accountabilities

- Establish, review, and update compensation philosophy and peer institutions
- Approval of any executive contracts or renewals
- Review and approval of any changes to:
 - Executive incentive designs, benefits, perquisites, and deferred compensation
 - Institution-wide compensation and benefit programs (with broad cost implications)

Attachment A

Tools and Resources for Effective Compensation Governance



*Additional details or illustrations of the above tools can be found on the following pages.

Attachment A

Elements of an Executive Compensation Philosophy

Below is Sibson Consulting's framework for an executive compensation philosophy for Higher Education institutions. This philosophy documents the institution's perspectives/strategy with regard to the following components:

Institutional Alignment	<ul style="list-style-type: none"> • How compensation supports and reinforces the strategic objectives of the institution and its values
Elements of Rewards	<ul style="list-style-type: none"> • What rewards are used, the purpose for each, relative emphasis and executive eligibility
Comparison Markets	<ul style="list-style-type: none"> • The criteria and rationale used for selecting comparator institutions to benchmark compensation • The institutions selected, including any custom or unique views
Performance Measurement and Goal Setting	<ul style="list-style-type: none"> • How to measure performance on an institutional and individual basis • The vehicles and processes to use to measure and communicate performance and how they link to compensation outcomes
Compensation Prominence	<ul style="list-style-type: none"> • The relative prominence of pay in the rewards model • The role of pay in attracting and retaining talent versus other factors
Pay Positioning	<ul style="list-style-type: none"> • The target pay positioning relative to the comparison markets (in aggregate and for certain roles if they differ) • The factors influencing individual pay positioning and decision making
Program Administration	<ul style="list-style-type: none"> • Decision-making roles and accountabilities of the Board (as a whole), Compensation Committee, President, executive team, human resources, and others
Communication/ Transparency	<p>The degree of openness in sharing information on pay including:</p> <ul style="list-style-type: none"> • Explanation of compensation strategy • Explanation of compensation program design • Expectations setting • Performance evaluation process and results • Consequences

Attachment A

Compensation Committee Charter/Operating Guidelines

- Constitutes the governing rules for the Committee. Provides details regarding the Committee's purpose, composition, responsibilities and expectations, authority, and meeting procedures used in carrying out its duties
- The full charter is often not published, but is used by the Board and the Committee; a shorter summary may be created for public view
- Reviewed and refreshed regularly (e.g., every 36 months) typically as part of a Governance or Compensation Committee's responsibilities
- Typically includes the following topics:
 - **Purpose:** identifies, at a high level, the role of the Committee and what is delegated from the full Board
 - **Composition:** states specific expertise required for membership, committee size, how it is staffed, and terms (including any rotation requirements)
 - **Authority:** specifically defines the level of authority the Committee has in regard to taking actions that affect the institution (e.g., recommendations-only or final decision-making) and what needs to be reported to vs. approved by the full Board
 - **Decision Rights & Responsibilities:** defines the primary areas of responsibility and parties' role in specific decisions; includes the rights of others outside the Committee (e.g., President, HR, etc.)
 - **Meeting Procedures:** defines the frequency of meetings and their length, agenda setting, participation expectations, and approved modes of meeting (e.g., via conference call or in-person)

Attachment A

Decision Rights and Responsibilities

- Clearly defining the roles and responsibilities of the Board of Trustees, the Compensation Committee and that of management is a cornerstone of effective compensation governance
- Delineating these roles centers around the responsibility for decision making between management and the Board and includes a description of the level of involvement required by both parties. Taken together, this separation of responsibilities facilitates effective and efficient decision-making and helps to ensure accountability by clearly defining expectations for all involved in the process
- Using a Decision Responsibility Matrix, stakeholders are assigned the following levels of responsibility for each task:
 - **Initiate:** Begin execution of item
 - **Consult/Contribute:** Provide input into item; advance/present opinions, facts, etc.
 - **Recommend:** Suggest and propose the preferred approach
 - **Approve:** Confirm and sanction final decisions
 - **Inform:** Keep stakeholder up-to-date on progress
 - **Manage:** Administer the execution; oversee progress; regulate as needed

Attachment A

Illustrative Decision Rights and Responsibilities

Using a Decision Responsibility Matrix, stakeholders are assigned levels of responsibility for each task

SAMPLE DECISION RESPONSIBILITY MATRIX

Action	Board of Trustees	Compensation Committee	President	HR	Finance	Legal
Set/change executive compensation philosophy	Approve	Initiate/ Recommend	Consult	Manage/ Consult	Consult	Consult
Conduct annual executive pay study	Inform	Approve	Consult	Initiate/ Manage	Inform	Inform
Presidential evaluation	Inform	Initiate/Manage/ Approve	Consult	Inform	N/A	Inform
Presidential compensation/contract	Approve	Initiate/ Manage	Consult	Consult	N/A	Inform
Institution-wide merit budget	Approve	Recommend	Recommend	Initiate/ Manage	Consult	Inform
Talent review/compensation for key executives	Inform	Approve	Initiate/ Recommend	Consult	N/A	Inform
Succession planning: President	Approve/ Review	Initiate/Manage/ Recommend	N/A	Consult	N/A	Inform
Succession planning: Executives	Inform	Approve	Recommend	Initiate/ Manage	N/A	Consult
Establish/change executive contracts or renewals	Inform	Approve	Recommend (for direct reports)	Initiate/ Recommend	N/A	Manage/ Consult/ Recommend
Changes to executive pay designs, benefits, perquisites, and deferred compensation	Approve	Initiate/ Recommend	Recommend/ Consult	Initiate/ Manage	Consult	Consult

Attachment A

Annual Committee Calendar Components

- **Committee Meetings:** 2 – 4 times per year; frequently scheduled 24 months in advance and mostly coincide with regular Board meetings
- **Standing Agendas:** Developed by the Chair of the Committee; agenda items generally align with the institution's administrative business and Human Resources calendar (i.e., meetings scheduled when key decisions are needed and data is available). Ad hoc topics added for each meeting
- **Format/Attendance:** President, and often other management, attends. Meetings include an executive session to discuss confidential information; counsel or secretary present to document minutes and decisions made
- **Agenda Topics:**
 - Typical standing agenda items:
 - Review of executive pay competitiveness
 - Presidential evaluation and compensation
 - Review and recommendation of institution-wide merit budget
 - Talent review and approval of compensation for key executives
 - Succession planning
 - Typical ad hoc agenda items:
 - Approval of new executive hires and/or pay arrangements, contracts, or renewals
 - Review and approval of any changes to executive incentive designs, benefits, perquisites, and deferred compensation
 - Regulatory updates and reports from internal/external counsel

Attachment A

Illustrative Tally Sheet

EXAMPLE OF MULTI-YEAR TALLY SHEET FOR A SINGLE EXECUTIVE

	2010	2011	2012	2013
Base Salary	\$310,000	\$325,000	\$330,000	\$335,000
Bonus and Incentive				
• Performance-Based	10,000	50,000	—	25,000
• Discretionary	—	—	25,000	—
• Retention	50,000	—	—	—
Other Taxable Cash Compensation				
• Car/Car Allowance	10,000	10,000	12,000	12,000
• Medical Waiver	5,600	6,000	6,400	6,750
• Sports Tickets	2,000	2,000	2,500	3,000
• Moving & Housing	20,000	—	—	—
• Imputed Life Insurance Premium	560	750	850	975
Total Cash Compensation (TCC)	408,160	393,750	376,750	382,725
Retirement & Deferred Compensation				
• Pension/Retirement Contribution	31,000	32,500	33,000	33,500
• Deferred Compensation – Set Aside	25,000	25,000	25,000	25,000
• Deferred Compensation – Paid	—	—	—	—
Non-taxable Benefits				
• Employer Provided Benefits including Health, Dental, Life Ins	15,650	17,550	19,675	21,675
• Housing	36,000	36,000	40,000	40,000
• Club Membership	10,000	10,000	10,000	10,000
• Tuition Remission	—	—	—	12,500
Total Remuneration (TR)	525,810	514,800	504,425	525,400

Committees are increasingly using Tally Sheets to help inform decision making.

Attachment A

Illustrative Termination Scenarios

	Severance Benefits in Connection with a			
	Retirement	Voluntary Termination	Not for Cause Termination	For Cause Termination
1. Cash Severance Benefit	N/A	N/A	\$400,000	N/A
2. Vacation Pay	\$50,000	\$50,000	50,000	N/A
3. Benefit Continuation	36,400	N/A	18,200	N/A
4. Deferred Compensation Payout	800,000	800,000	800,000	\$800,000
5. Short-Term Incentive Awards	N/A	N/A	N/A	N/A
6. Retirement Plan Benefits	2,500,000	2,500,000	2,500,000	2,500,000
7. Cash Value of Life Insurance Policy	250,000	250,000	250,000	250,000
8. Consulting Fees	50,000	N/A	N/A	N/A
9. Use of Facilities (e.g., office, gymnasium)	15,000	N/A	N/A	N/A
10. Relocation Payments	25,000	N/A	N/A	N/A
11. Sabbatical Payments	400,000	N/A	N/A	N/A
12. Other Perquisites (i.e., tickets, club membership, etc.)	15,000	N/A	N/A	N/A
13. Tax Gross-Up For Imputed Value	50,000	N/A	50,000	N/A
Total Value of Payments	4,191,400	3,600,000	4,068,200	3,550,000

Termination scenarios are typically run using the terms of the contract. They are reviewed with legal counsel and shared with the Board and the executives on a regular basis. This is done for President and President's direct reports, plus any high profile athletics coaches.

Attachment A

1. Market Assessment Results
2. Executive Compensation Practices and Governance in Higher Education

3. Appendix

- **Comparison Group Details**
- **Pay Mix Details**
- **Perquisite Details**

Appendix 1: Institutions Included in Market Assessment

Comparison Groups

Comparison Peer Group	Aspirational Peer Group	State University System of Florida (SUS)
<ul style="list-style-type: none"> • Georgia State University • Kent State University • Portland State University • San Diego State University • University of Akron • University of Delaware • University of Houston • University of New Mexico • University of North Carolina at Charlotte • University of Texas at Arlington • Virginia Commonwealth University 	<ul style="list-style-type: none"> • Arizona State University • Auburn University • North Carolina State University • Oregon State University • University of Cincinnati • University of Colorado at Boulder • University of Nebraska at Lincoln • University of South Carolina at Columbia 	<ul style="list-style-type: none"> • Florida Agricultural and Mechanical University • Florida Atlantic University¹ • Florida Gulf Coast University • Florida International University¹ • Florida Polytechnic University • Florida State University • New College of Florida • University of Central Florida • University of Florida • University of North Florida • University of South Florida¹ • University of West Florida

¹ These SUS institutions are also part of the Comparison Peer Group but are being reported along with the other SUS institutions as the data sources, and thus compensation components, differ.

Attachment A

Appendix 2: Pay Mix Details

PAY MIX DETAIL: CASH VS. NON-CASH COMPENSATION

Institution	Cash Compensation		Non-Cash Compensation		
	Base Salary	Bonus & Incentive Compensation	Other Compensation	Retirement & Deferred Compensation	Non-Taxable Benefits
Comparison Peers¹					
Georgia State University	50%	0%	0%	49%	1%
Kent State University	67%	11%	0%	18%	4%
Portland State University	67%	0%	1%	29%	4%
San Diego State University	81%	0%	0%	13%	6%
University of Akron	82%	0%	0%	15%	4%
University of Delaware	81%	0%	7%	8%	3%
University of Houston	65%	14%	0%	20%	0%
University of New Mexico	78%	0%	0%	22%	0%
University of North Carolina at Charlotte	74%	0%	5%	12%	9%
University of Texas at Arlington	82%	13%	0%	4%	2%
Virginia Commonwealth University	66%	6%	0%	28%	0%
Comparison Peers Average (n=11)	72%	4%	1%	20%	3%
Aspirational Peers¹					
Arizona State University	50%	9%	33%	8%	1%
Auburn University	65%	0%	0%	34%	1%
North Carolina State University	70%	24%	0%	5%	1%
Oregon State University	70%	0%	0%	28%	2%
University of Cincinnati	70%	0%	0%	4%	26%
University of Colorado at Boulder	97%	0%	0%	0%	3%
University of Nebraska at Lincoln	95%	0%	0%	5%	0%
University of South Carolina at Columbia	72%	11%	0%	17%	0%
Aspirational Peers Average (n=8)	74%	5%	4%	13%	4%

¹ Data may not add up to 100% due to rounding.

Attachment A

Appendix 3: Perquisite Details

PREVALENCE OF PERQUISITES

Institution	Housing Allowance or Residence for Personal Use	Automobile Provided or Allowance	Personal Services	Health or Social Club Dues or Initiation Fees
Comparison Peers¹				
Georgia State University	✓	✓		
Kent State University	✓	✓		✓
Portland State University	✓	✓		
San Diego State University	✓	✓		
University of Akron	✓	✓		✓
University of Delaware			✓	
University of Houston	✓	✓		✓
University of New Mexico	✓	✓		
University of North Carolina at Charlotte	✓	✓		✓
University of Texas at Arlington				
Virginia Commonwealth University	✓	✓	✓	
Comparison Peers Perquisite Prevalence (n=11)	82%	82%	18%	36%
Aspirational Peer¹				
Arizona State University	✓	✓		✓
Auburn University	✓	✓		
North Carolina State University		✓		
Oregon State University	✓	✓		✓
University of Cincinnati		✓		✓
University of Colorado at Boulder	✓			
University of Nebraska at Lincoln	✓	✓		✓
University of South Carolina at Columbia	✓	✓		✓
Aspirational Peers Perquisite Prevalence (n=8)	75%	88%	0%	63%

¹ Perquisite prevalence was gathered from The Chronicle of Higher Education Executive Compensation database.

ITEM: CL-2

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Article 3: UFF Privileges and Article 23: Salaries of the Collective Bargaining Agreement with the United Faculty of Florida

DATE: January 18, 2018

PROPOSED BOARD ACTION

Ratify the reopened articles of the Collective Bargaining Agreement between the University of Central Florida Board of Trustees and the United Faculty of Florida.

BACKGROUND INFORMATION

A three-year Collective Bargaining Agreement was negotiated between the University of Central Florida Board of Trustees and United Faculty of Florida for the period 2015-18. Pursuant to Article 30: Amendment and Duration of that agreement, in November 2017, the parties began renegotiations for the agreement term September 1, 2017 through August 31, 2018. In those negotiations, the parties were able to reach agreement on January 10, 2018.

The Collective Bargaining Committee appointed to represent the University of Central Florida Board of Trustees recommends the approval of Article 3: UFF Privileges and Article 23: Salaries.

Supporting documentation:

Attachment A: Article 3: UFF Privileges
Attachment B: Article 23: Salaries

Prepared by: Maureen Binder, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

2018-01-03

Attachment A
Article 3 [2017-18]

BOT Proposal #3

ARTICLE 3 [2017-2018]
[supersedes earlier versions, including 2015-2018 and 2016-17]
UFF PRIVILEGES

3.1 Use of Facilities and Services. Subject to the rules and policies of the University, the UFF shall have the right to use University facilities for meetings and to use all other services of the University on the same basis as they are generally available to University-related groups and organizations. For purposes of this Agreement, University-related groups and organizations are groups that are directly related to University operations or the University community and that may or may not receive budgetary support. Examples of such groups include student organizations, honor societies, fraternities, sororities, alumni associations, faculty committees, and direct support organizations.

3.2 Communications.

(a) ~~The~~ UFF may post bulletins and notices relevant to its position as the collective bargaining agent on at least one bulletin board per building where employees have offices. Specific locations within a building shall be mutually selected by the University and the local UFF Chapter. All materials placed on the designated bulletin boards shall bear the date of posting and may be removed by the University after having been posted for ~~a period of~~ sixty days. In addition, such bulletin boards may not be used for election campaigns for public office.

(b) The University ~~will~~**shall** place a link to the local UFF Chapter web-site at www.collectivebargaining.ucf.edu.

3.3 Leave of Absence -- Union Activity.

(a) At the written request of the UFF, provided no later than May 1 of the ~~year prior to the beginning of the preceding~~ academic year when such leave is to become effective, a full-time or part-time unpaid leave of absence for the academic year shall be granted to up to two employees designated by the UFF for the purpose of carrying out UFF's obligations in representing employees and administering this Agreement, including lobbying and other political representation. Such leave may also be granted to one employee for the entire summer term, upon written request by the UFF provided no later than March 15 of the preceding academic year. Upon the failure of the UFF to provide the University with a list of designees by the specified deadlines, the University may refuse to honor any ~~of the late~~ requests ~~which were submitted late~~.

(b) No more than two employees from any college/unit, nor more than one employee per fifteen employees per department/unit, shall be granted such leave at any one time.

(c) The UFF shall reimburse the University for the employee's fringe benefits.

(d) Employees on leave under this paragraph shall be eligible to receive salary increases in accordance with the provisions of Article 17.

(e) An employee who has been granted leave under this Article for four consecutive academic years shall not again be eligible for such leave until one academic year has elapsed following the end of the leave. One employee, designated by the UFF, shall be exempt from the provisions of this subsection. Other exceptions may be granted at the discretion of the University upon prior written request by the UFF.

(f) The University shall not be liable for the acts or omissions of said employees during the leave and the UFF shall hold the University harmless for any such acts or omissions, including the cost of defending against such claims.

(g) An employee on such leave shall not be evaluated for this activity nor shall such activity be considered by the University in making personnel decisions.

3.4 Released Time.

2018-01-03

Attachment A
Article 3 [2017-18]

BOT Proposal #3

50 (a) The University agrees to provide released time each calendar year to full-time employees
51 designated by the UFF for the purpose of carrying out the UFF's obligations in collective bargaining
52 negotiations, contract enforcement and grievance representation. The Parties ~~wish~~ shall take coordinated
53 action to facilitate an adequate and mutually convenient bargaining schedule. A maximum of five units
54 of released time shall be granted during each spring and fall semester and four units in each summer
55 session. The UFF may designate employees to receive released time during the year subject to the
56 following conditions:

57 (1) A maximum of three released time units per semester shall be granted to employees
58 in any one college.

59 (2) The UFF shall provide the University with a list of designees for the academic year no
60 later than May 1 of the preceding academic year. Substitutions for the spring semester shall be made
61 upon written notification submitted by the UFF to the University no later than November 1. A list of
62 designees for the summer shall be submitted no later than April 15 preceding that summer.

63 (3) Released time shall not become part of the status quo.

64 (4) After ratification of this agreement, two units of released time shall be offered in
65 Spring 2018 to employees that do not have a teaching assignment. Five units of released time shall be
66 offered in Summer 2018, and seven units in Fall 2018.

67 (b) Each "unit" of released time shall consist of a reduction in teaching load of one course
68 per fall or spring semester for instructional employees or, for non-teaching employees, a reduction in
69 workload of ten hours per week, which shall include a 25% reduction in assigned duties. One unit of
70 released time may be used during the summer term at a rate of 12.5% of the employee's nine-month
71 salary and shall be considered the equivalent of one summer term course's FTE for instructional
72 employees. For non-teaching twelve-month employees, one unit of summer released time shall include a
73 reduction in workload of ten hours per week, which shall include a 25% reduction in assigned duties.

74 (c) Released time shall be used only by members of UFF's designated collective bargaining
75 team and by the UFF's designated grievance representatives, at the University or state level, and shall not
76 be used for lobbying or other political representation.

77 (d) Employees who are on leave of any kind shall not be eligible to receive released time.

78 (e) Upon the failure of the UFF to provide a list of designees by the specified deadlines, the
79 University may refuse to honor any released time requests that were submitted late. Substitutions
80 submitted after the November 1 deadline shall be allowed at the discretion of the University.

81 (f) An employee who has been granted released time for either or both semesters during four
82 consecutive academic years shall not again be eligible for released time until two academic years have
83 elapsed following the end of the fourth academic year in which such released time was granted.

84 (1) As an exception to this limitation, three employees designated by the UFF shall
85 be eligible for released time for responsibilities at the UFF state level for one additional year. These
86 employees shall not again be eligible for released time until two academic years have elapsed following
87 the end of the fifth academic year of released time. These employees shall be identified by the UFF no
88 later than May 1 of the preceding academic year; substitutions may be approved by the University at its
89 discretion.

90 (2) One employee, designated by the UFF, shall be exempt from the released time
91 limitations of Article 3.4(f). Other exceptions may be granted at the discretion of the University upon
92 prior written request by the UFF.

93 (g) Employees on released time shall be eligible for salary increases on the same basis as
94 other employees. Their released time activities shall not be evaluated and the University shall not use
95 such activity against the employee in making personnel decisions.

96 (h) Employees on released time shall retain all rights and responsibilities as employees but
97 shall not be considered representatives of the University for any activities undertaken on behalf of the
98 UFF. The UFF agrees to hold the University harmless for any claims arising from such activities,
99 including the cost of defending against such claims.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

ARTICLE 23 ~~[2016-2017-2018]~~*[supersedes earlier versions, including 2015-2018 and 2016-17]*

SALARIES

23.21 Promotion Increases.

(a) Promotion salary increases shall be granted on August 8 following that promotion in an amount equal to 9.0% of the employee's salary as of August 7 in recognition of promotion to one of the ranks listed below:

- (1) To Assistant in _____, and Assistant University Librarian;
- (2) To Associate Professor, Associate Instructor, Associate Lecturer, Associate Scholar/Scientist/Engineer, Associate in _____, Associate Instructional Designer, and Associate University Librarian;

(b) Following ratification of this document, future promotion salary increases shall be granted on August 8 following that promotion in an amount equal to 10.0% of the employee's salary as of August 7 in recognition of promotion to one of the ranks listed below:

- (3) To Professor, Senior Instructor, Senior Lecturer, Scholar/Scientist/Engineer, University Librarian, and Senior Instructional Designer.

23.32 Legislatively Mandated Increases.

(a) ~~No legislatively mandated increases were provided in 2016-17~~Any legislatively mandated increases shall be implemented as soon as practicable.

23.43 Other Increases.

(a) Across-the Board Salary Increases. Effective March 23, 2018, for the ~~2016-17-2017~~18 year, each eligible employee shall receive a ~~one two and one quarter~~ 2.25% increase to the employee's base salary. This increase will be calculated using the employee's salary as of March 23, 2018. An employee shall be eligible if the employee's most recent annual evaluation, if provided, was Satisfactory or above; the employee was in an employment relationship (not OPS) with the University prior to May 7, 20167; and the employee remains in a continual employment relationship at the date of implementation. Employees employed in 20156-167 that meet the above qualifications and were not evaluated shall be provided with an evaluation for the period and shall be eligible for the increase.

(b) One-time payment. In addition to the across-the board increases taking effect on March 23, 2018, all employees eligible for that increase shall receive a one-time payment of \$1500 on April 13 March 16, 2018, ~~or as soon as practicable thereafter, but no later than April 27, 2018.~~

(c) Merit Salary Increases. ~~No merit salary increases will be distributed this cycle. Effective December 16, 2016, for the 2016-2017 year, the University shall provide merit salary increases to each department/unit equal to one and one-half percent (1.5%) of the total base salary of employees in the department/unit as of August 12, 2016. All employees who are not members of a department/unit shall be grouped together and treated as a department/unit for the purpose of calculating and providing merit salary increases. Merit salary increases shall be provided to eligible employees in each department/unit who are in an employment relationship with the University prior to May 7, 2016; who remain in an in-unit employment relationship at the date of implementation; and who meet the following criteria and procedures.~~

~~(1) Eligibility. For the 2016-2017 year, an employee is eligible under this Section if he or she received an Above Satisfactory or Outstanding on his or her most recent annual evaluation, has had no break in service between May 7, 2016 and the implementation date, and is still employed in unit at the University on the date of BOT ratification.~~

~~(2) Distribution. The merit salary increases for eligible employees shall be calculated as a percentage of their base salary. Such increases shall be distributed proportionately to those employees~~

Attachment B

2018-01-10

Article 23

BOT Proposal #13

50 whose most recent annual evaluations are *Above Satisfactory* or *Outstanding* in a ratio of 1.0 for *Above*
 51 *Satisfactory* and 1.7 for *Outstanding*.

52 (d) Equity Salary Increases. Effective ~~December 16, 2016~~ ~~January 26~~ March 23, 2018, for the
 53 20167-20178 year, the University shall provide a one-time equity salary increases to all regular, clinical,
 54 research, and non-visiting E&G funded employees as follows, an amount equal to one fifth of one percent
 55 (0.20%) of the total base salary of all E&G employees as of August 12, 2016 ~~pool of up to two hundred~~
 56 ~~and fifty thousand dollars (\$250,000 to all regular, clinical, research, non-visiting employees whose~~
 57 ~~August 12, 20167, 1.0 FTE base salary was less than \$45,000 for those with a Ph.D. or equivalent~~
 58 ~~terminal degree, or less than \$42,000 for all others or whose 12-month salary was less than \$60,000 for~~
 59 ~~those with a Ph.D. or equivalent degree or less than \$56,000 for all others.~~ Equity increases shall be
 60 distributed proportionately equal to the difference between the employee's August 112, 20167 salary and
 61 the thresholds ~~below~~ above. The increase shall be available to employees who were in an employment
 62 relationship (not OPS) with the University prior to May 7, 2017; who remain in an in-unit employment
 63 relationship at the date of implementation, and that also meet the following eligibility requirements:
 64 regular, clinical, research, non-visiting E&G employees whose August 11, 2017 1.0 FTE base salary also
 65 meets one of the following qualifications:

66 (1) 9-month salary:

67 a. is less than \$45,000 and who holds a Ph.D. or equivalent terminal degree in a
 68 field related to the employee's assignment.

69 b. is less than \$42,000 for all other employees

70 (2) 12-month salary:

71 a. is less than \$60,000 and who holds a Ph.D. or equivalent terminal degree in a
 72 field related to the employee's assignment.

73 b. is less than \$56,000 for all other employees

74
 75 **23.54 Annual Incentive Award Programs.** Incentive Award Programs recognize and promote
 76 employee excellence and productivity that respond to and support the mission of the University of Central
 77 Florida, including its strategic initiatives and five key goals. The provost or his or her designee shall give
 78 final approval for awards to successful faculty.

79 Each year, the University shall make available to eligible employees ~~115~~ ~~120~~ Incentive Awards.
 80 The awards shall be distributed to awardees in the next award cycle after ratification of this document as
 81 set forth in Paragraphs (a) through (f) below. Regardless of ~~the~~ contract length (9 months through 12
 82 months), award recipients shall receive a one-time award of \$5,000 as soon as practicable and a \$5,000
 83 increase to their salary effective at the beginning of the succeeding academic year. Employees on visiting
 84 and other temporary appointments are not eligible for incentive awards. Employees on non-E&G funding
 85 will be eligible for the increase depending on availability of funds.

86 (a) **UCF-Teaching Incentive Program.** The UCF-Teaching Incentive Program ("UCF-
 87 TIP") rewards teaching productivity and excellence. Each academic year the University shall make
 88 available up to fifty-five UCF-TIP awards to eligible employees. The UCF-TIP award recognizes
 89 ~~faculty~~ employee contributions to UCF's key goals of offering the best undergraduate education available
 90 in Florida and achieving international prominence in key programs of graduate study. Employees
 91 applying for TIPs must meet current productivity criteria.

92 (b) **UCF-Research Incentive Award Program.** The UCF-Research Incentive Award
 93 ("UCF-RIA") program recognizes outstanding research, scholarly, or creative activity that advances the
 94 body of knowledge in a particular field, including interdisciplinary research and collaborations. Each
 95 academic year the University shall make available up to fifty-five UCF-RIA awards to eligible
 96 employees. The UCF-RIA award recognizes employee contributions to UCF's key goal of achieving
 97 international prominence in research and creative activities.

98 (c) **Scholarship of Teaching and Learning Awards (SoTLs).** SoTLs recognize ~~use~~
 99 discovery, reflection, and using evidence-based methods to research effective teaching and student

Attachment B

2018-01-10

Article 23

BOT Proposal #13

100 learning. While the implementation of SoTL outcomes ~~can~~ may result in teaching excellence and
 101 increased teaching effectiveness, this award recognizes scholarly efforts beyond ~~not~~ teaching
 102 excellence ~~but scholarly efforts~~. For academic year 2016-2017, the University shall make available up to
 103 ~~ten~~ five (40.5) SoTL awards. ~~No SoTLs will be available for the 2017-18 award cycle.~~

104 ~~(d) — Eligibility. All full-time, regular employees who meet the applicable criteria shall be~~
 105 ~~eligible for Incentive Award programs in their fifth year of continuous service beginning in the fifth~~
 106 ~~academic year (i.e. every five years).~~

107 (d) **Applications for Incentive Awards.** ~~Beginning with the 2016-2017 awards, the Office~~
 108 ~~of Faculty Excellence will initiate an electronic application process. Applications shall be completed on-~~
 109 ~~line. These awards shall be made according to the criteria or procedures listed on the Faculty Excellence~~
 110 ~~website. Any proposed changes to the current criteria shall be provided to the UFF at least 14 days in~~
 111 ~~advance so as to permit UFF to seek consultation with respect to them. A committee will be formed in~~
 112 ~~May 2018 to review and approve relevant criteria and procedures on the Faculty Excellence website for~~
 113 ~~accuracy and compliance with the CBA. The University and the UFF shall have equal representation on~~
 114 ~~this committee, which shall conclude their work no later than August 31, 2018.~~

115
 116 (e) **Incentive Award Selection.**

117 (1) TIPs/RIAs. College or unit committees for the TIP and RIA award programs
 118 shall be elected by and from the unit employees. The committees shall equitably represent the
 119 departments or units within them. Employees who plan to apply for a particular award in the current or
 120 immediately following cycle shall not be eligible to serve on the committee. A committee chairperson for
 121 each incentive award program shall be elected by and from the college/unit committee. The chairperson
 122 shall charge the committee that members shall only consider the merits of the application. No additional
 123 outside information or discussion of position, e.g., instructor vs. tenure track ~~employee~~ faculty, past
 124 awards, current salary, etc., may be considered, nor may additional criteria be used. The committee shall
 125 review the award applications and shall submit a ranked list of recommended employees to the dean or
 126 dean's representative. In ranking the applicants, committee members shall only consider the merits of the
 127 application. The committee shall not impose any numerical criteria or weightings during the ranking
 128 process, and for completed applications, departures from the application specifications may impact but
 129 shall not disqualify an application.

130 (a) Each committee member shall review all applications and transmit a
 131 preliminary ranking to the committee chair. Committee members may rank as many applicants as they
 132 deem merit the award, with the highest rank given to the top candidate (i.e., the highest rank equals the
 133 number of applicants, N), the next highest rank being N-1, and so on. Applications that are not deemed
 134 acceptable for an award shall be left unranked.

135 (b) In larger colleges or units, subcommittees may be formed from the
 136 committee at-large in the interest of efficient evaluation of the incentive award applications. Each
 137 subcommittee must include at least three members, and every member of the committee at-large must
 138 serve on a subcommittee. The applications to be reviewed ~~will~~ shall be equitably partitioned among the
 139 subcommittees. The subcommittees ~~will~~ shall follow the ranking procedure outlined above to determine
 140 which applications they ~~will~~ recommend to the committee at-large. Then the committee at-large ~~will~~ shall
 141 be convened to review the applications recommended by the subcommittees. The members of the
 142 committee at-large ~~will~~ shall discuss the subcommittee recommendations and, finally, use the ranking
 143 procedure described above to rank the applications recommended by the subcommittees. In the event of
 144 ties, the ties ~~will~~ shall be broken as described below.

145 (c) The committee chair shall convene the committee and review their initial
 146 rankings. Discussion shall be limited to information contained in the application and may focus on
 147 applicants with a large variance in rankings, to try to identify the cause of and reduce disparate rankings.

148 (d) Following this discussion, the committee shall use a secret ballot to rank
 149 candidates using the procedure stated above in this section.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

150 (e) A majority of voting committee members present must rank an applicant
151 for that employee to be eligible for an incentive award.

152 (f) The applicant with the highest mean score ~~will~~shall have the highest
153 priority for an incentive award, the applicant with the next highest mean score the next highest priority,
154 and so on, until all applicants who received a majority of votes are ranked in order.

155 (g) In the case of a tie vote that must be resolved to allocate available
156 awards, the committee shall vote on just the tied candidates. The candidate with the most votes shall be
157 ranked ahead of those with fewer votes. Voting shall continue using this procedure until all such ties are
158 resolved.

159 (h) The committee chair ~~will~~shall transmit this ranked list to the dean or
160 dean's representative, or unit head who approves the awards. If the selection committee awards fewer
161 than the number of awards available or if the dean or unit head does not approve an award from the list
162 submitted by the selection committee, then the award(s) shall be retained in the same college or unit for
163 one additional cycle before it is returned to the overall pool for apportionment.

164 ~~(i) — If the number of previously awarded (i.e., awarded prior to 2018) but
165 relinquished (e.g., due to retirement or resignation) TIP and RIA awards exceeds fifty after the 2017
166 award cycle, then the relinquished pre 2018 awards beyond fifty shall be pooled at the university level,
167 along with the new awards for that year, and distributed in proportion to the number of eligible faculty in
168 each college. No Incentive awards issued after ratification of this document that are relinquished shall be
169 eligible for re-issuance (future awards are not pooled for redistribution)~~

170 (j) For purposes of TIP/RIA selection as stated above, "college" shall also
171 include the group of employees whose primary assignment is in the College of Undergraduate Studies, the
172 College of Graduate Studies, an institute or center. These employees shall be grouped together for
173 purposes of calculating the number of awards available for each award category. The college committee
174 shall consist of a member from each of the units represented.

175
176 **23.65 Excellence Awards.** The University shall implement the merit-based bonuses set forth below to
177 recognize and promote employee excellence and productivity that respond to and support the mission of
178 the University of Central Florida.

179 (a) Trustee Chair Professorship. The UCF Trustee Chair Professorship is a multi-year
180 appointment awarded to employees with an extraordinary record of accomplishment in the three primary
181 areas of academic endeavor: teaching, research and service. The objective of this appointment is to
182 recognize and celebrate outstanding performance with a title and resources commensurate with
183 accomplishment.

184 (1) Award recipients shall receive an annual ~~stipend-budget~~ of \$50,000 funded by the
185 University. Up to \$25,000 can be used as a salary supplement. These chairs have a five-year renewable
186 appointment.

187 (2) Each academic year, the University shall award up to eight Trustee Chair
188 Professorships.

189 ~~(3) These awards shall be made according to existing criteria and procedures. The
190 eligibility criteria for an applicant is holding the rank of professor; the applicant must be recognized as a
191 "foremost scholar" in his or her chosen area of expertise, meaning known as a preeminent scholar in his
192 or her discipline; and have a positive impact to other scholars at UCF. Applications will be reviewed by a
193 committee consisting of one Trustee Chair, one Pegasus Professor, the Chair of the Faculty Senate, and
194 the Vice Provost for Faculty Excellence. An employee who holds the rank of full professor shall be
195 appointed by the UCF-UFF Chapter President to serve as an ex officio member of the committee, and
196 shall not have a voting role except in the case of breaking any tie votes. The President and Provost or
197 designee will make the final appointment.~~

198 (b) Pegasus Professor. The Pegasus Professor award recognizes excellence in the three
199 primary areas of academic endeavor: teaching, research and service.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

- 200 (1) Award recipients shall receive a one-time payment of \$5,000 from Foundation
 201 funds as well as a Pegasus statue.
- 202 (2) Each academic year, the University may award Pegasus Professor awards.
- 203 (3) ~~These awards shall be made according to existing criteria and procedures. The~~
 204 eligibility criteria for an applicant is having completed five years at the rank of professor at UCF; having
 205 achieved excellence in teaching, research and/or creative activity; and demonstrable service and scope of
 206 national and international impact. The awards are ultimately determined by the President or designee.
- 207 (c) Excellence Awards. All full-time employees in the appropriate discipline with at least
 208 three years of continuous non-visiting, non-OPS service at UCF immediately prior to the current year are
 209 eligible. Employees who have received a college or university excellence award in the past three
 210 academic years in the category for which they are applying are not eligible. For some Excellence awards,
 211 additional eligibility criteria are specified below. Award recipients shall receive a one-time payment of
 212 \$2,000. Each academic year, the University shall award Excellence in Undergraduate Teaching awards,
 213 one University Award for Excellence in Undergraduate Teaching, Excellence in Graduate Teaching
 214 awards, one University Award for Excellence in Graduate Teaching, two University Awards for
 215 Excellence in Faculty Academic Advising, one University Award for Excellence in Professional
 216 Academic Advising, Excellence in Research awards, one University Distinguished Research award, two
 217 University Awards for Excellence in Professional Service, one Excellence in Librarianship award, one
 218 Excellence in English Language Institute Instruction and one Excellence in Instructional Design award.
- 219 (1) Award recipients shall receive a one-time payment of \$2,000.
- 220 (2) Excellence in Undergraduate Teaching awards.
- 221 a. Eligibility. Employees must be assigned to teach at least two undergraduate
 222 courses in the current academic year and to have taught at least six undergraduate courses over the
 223 preceding three academic years.
- 224 b. The criteria for evaluation applicants' files shall include three major
 225 categories:
- 226 1. Innovations to improve undergraduate teaching;
 227 2. Undergraduate teaching accomplishments/honors;
 228 3. Evidence of impact on undergraduate teaching.
- 229 (2) Excellence in Graduate Teaching Awards.
- 230 a. Eligibility. Employees must have contributed significantly to graduate
 231 education, including substantial teaching of graduate courses (including thesis and dissertation courses)
 232 over the current academic year and the three preceding academic years.
- 233 b. The criteria for evaluating applicants' files shall include three major
 234 categories:
- 235 1. Innovations to improve graduate teaching;
 236 2. Graduate Teaching Accomplishments/honors;
 237 3. Evidence of impact on graduate teaching.
- 238 (3) Excellence in Research Awards
- 239 a. Eligibility. Employees must have an assignment of at least 0.10 FTE in
 240 research over each of the three immediately preceding years and the current year at UCF.
- 241 b. The criteria for evaluating applicants' files shall include three major categories.
 242 1 cumulative value and impact of research efforts at UCF within the
 243 discipline and to society;
 244 2. Recognition of research impact by the individual's peers in the same or
 245 in related disciplines;
 246 3. Publication/dissemination and presentation of research results.
- 247 (4) Excellence in Faculty Academic Advising.
- 248 a. Eligibility. All employees who currently advise and who have advised
 249 undergraduate students over the preceding three academic years are eligible.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

250 b. The criteria for evaluating applicants' files shall include three major
 251 categories:
 252 1. Evidence of extra effort to improve advising;
 253 2. Evidence that students have been sensitively and appropriately
 254 informed and guided concerning career choices and academic opportunities;
 255 3. Evidence that the nominee serves as a role model in the pursuit of
 256 learning.
 257 (5) University Award for Excellence in Professional Academic Advising.
 258 a. Eligibility. Employees who have a current full-time assignment and full-time
 259 experience for the preceding three years at UCF in an academic advising unit within a college, regional
 260 campus, institute, center or the Division of Student Development and Enrollment Services are eligible.
 261 Employees with regular teaching assignments are eligible for other advising awards and are not eligible
 262 for the Professional Academic Advising.
 263 b. The criteria for evaluating applicants' file shall include three major categories:
 264 1. Evidence of success in retaining students;
 265 2. Evidence of guiding students to timely completion of their degrees;
 266 3. Creating a caring and supportive environment, and helping students
 267 realize their potential.
 268 (6) University Awards for Excellence in Professional Service.
 269 a. Eligibility. Employees who are assigned an FTE of 0.10 for professional
 270 service duties over the current year and for each of the three preceding academic years are eligible.
 271 b. The criteria for evaluating applicants' files shall include three major
 272 categories:
 273 1. Evidence of effectiveness in service to the university by highlighting
 274 leadership contributions;
 275 2. Evidence of significant accomplishment in professional organizations
 276 in the nominee's discipline;
 277 3. Evidence of recognition for outreach activities, service, and leadership
 278 contributions to community organizations.
 279 (7) Excellence in Librarianship.
 280 a. Eligibility. Employees who have served at UCF as a librarian on a permanent
 281 line for the current year and at least the three years immediately preceding the current year are eligible.
 282 b. The criteria for evaluating applicant's files shall include two major categories:
 283 1. Evidence of extra effort to improve library services and collections;
 284 2. Evidence of a sustained period of excellence in the library profession.
 285 (8) Excellence in Instructional Design
 286 a. Eligibility. Must be an instructional designer on a non-visiting, non-OPS 12-
 287 month contract at the time of nomination and over the three preceding academic years.
 288 b. The criteria for evaluating applicant's files shall include two major categories:
 289 1. Innovative contributions to UCF and/or the ID field;
 290 2. Evidence of outstanding effort to promote quality of online instruction
 291 and improve relationships with faculty members at UCF.
 292 (9) Excellence in English Language Institute Instruction.
 293 a. Eligibility. Must have a full-time, non-visiting, non-OPS appointment at ELI
 294 for the current academic year and for the three preceding academic years.
 295 b. The criteria for evaluating applicant's files shall include three major
 296 categories:
 297 1. Evidence of innovative contributions to UCF or the ELI field;
 298 2. Evidence of extra effort to improve ELI success;
 299 3. Evidence of a sustained period of excellence in ELI.

Attachment B

2018-01-10

Article 23

BOT Proposal #13

300 ~~Each academic year, the University shall award Excellence in Undergraduate Teaching~~
 301 ~~awards, one University Award for Excellence in Undergraduate Teaching, Excellence in Graduate~~
 302 ~~Teaching awards, one University Award for Excellence in Graduate Teaching, two University Awards for~~
 303 ~~Excellence in Faculty Academic Advising, one University Award for Excellence in Professional~~
 304 ~~Academic Advising, Excellence in Research awards, one University Distinguished Research award, two~~
 305 ~~University Awards for Excellence in Professional Service, one Excellence in Librarianship award, one~~
 306 ~~Excellence in English Language Institute Instruction and one Excellence in Instructional Design award.~~
 307 (3) ~~These awards shall be made according to existing criteria and procedures~~
 308 ~~published by the Office of Faculty Excellence. Recommendations for these awards are made by various~~
 309 ~~committees and are ultimately determined by the president or designee.~~

23.76 Salary Increases for Employees Funded by Contracts and Grants.

312 (a) Employees on contracts or grants shall receive salary increases equivalent to similar
 313 employees on Education and General (E&G) funding, provided that such salary increases are permitted
 314 by the terms of the contract or grant and adequate funds are available for this purpose in the contract or
 315 grant. In the event such salary increases are not permitted by the terms of the contract or grant, or in the
 316 event adequate funds are not provided, the president or president's representative shall seek to have the
 317 contract or grant modified to permit or fund such increases.

319 (b) Nothing contained herein shall prevent employees whose salaries are funded by grant
 320 agencies from being allotted raises higher than those provided in this Agreement if such increases are
 321 provided by the granting agency.

323 **23.87 Administrative Discretion Increases.** ~~On~~From September 1, 2017~~6~~ through August 31,
 324 201~~8~~7, the University may provide Administrative Discretion Increases up to one and one-half percent
 325 (1.5%) of the total salary rate of ~~Education and General (E&G)~~ employees who were in an employment
 326 relationship with the University on May 7, 2017~~6~~. Any Administrative Discretion Increase provided to
 327 contract and grant (C&G) employees, any court-ordered or court-approved salary increase, any prevailing
 328 wage adjustment for the purpose of qualifying for immigration status, or any salary increase to settle a
 329 legitimate, broad-based employment dispute shall not be subject to the terms and limitations of this
 330 Section.

331 (a) The University may provide Administrative Discretion Increases for verified written
 332 offers of outside employment, special achievements, merit, compression and inversion, equity and market
 333 equity considerations, and similar special situations to employees in the bargaining unit.

334 (b) Administrative Discretionary Increases for verified written offers of outside employment
 335 shall not contribute to the calculation of the salary rate.

336 (c) UFF Notification. At least 14 days prior to the effective date of any such increase, the
 337 University shall provide to the UFF a written notification of the increase which states the name of the
 338 employee, the rank and discipline of the employee, the amount of the increase, and the reason for the
 339 increase.

340 (d) The University's ability to provide Administrative Discretion Increases shall expire
 341 August 31, 201~~8~~7, and shall not become part of the status quo.

344 **23.98 Report to Employees.** All employees shall receive notice of their salary increases prior to
 345 implementation.

347 **23.109 Type of Payment for Assigned Duties.**

Attachment B

2018-01-10

Article 23

BOT Proposal #13

348 (a) Duties and responsibilities assigned by the University to an employee that do not exceed
 349 the available established FTE for the position shall be compensated through the payment of salary, not
 350 Other Personal Services (OPS) wages.

351 (b) Duties and responsibilities assigned by the University to an employee that are in addition
 352 to the available established FTE for the position shall be compensated through OPS wages, not salary.
 353

354 **23.110 Twelve-Month Payment Option.** The parties agree that a twelve-month payment option for
 355 9-month employees shall be offered each year during an annual open enrollment period from April 1 to
 356 June 30. If chosen by the employee, this payment option shall become effective for one year starting with
 357 the first full pay period beginning after August 8. The plan shall allow for employees to select a fixed
 358 savings amount to be deducted from each of the nineteen full bi-weekly paychecks received during the
 359 Fall and Spring semesters with a change in that amount to account for those paychecks from which
 360 double premiums are deducted. The total savings shall be returned to the employee in equal amounts for
 361 the five full bi-weekly paychecks received during the Summer ~~semester~~. The University shall provide an
 362 online calculator ~~and assistance as reasonable, taking into account time and resources,~~ to assist the
 363 employee in determining a savings amount and fixed reduction amount that will allow the employee's net
 364 paychecks to remain approximately ~~constant level across the 24 pay periods~~. Pay received for
 365 supplemental summer assignments shall be unaffected by this plan. This pay plan is subject to tax
 366 limitations.
 367

368 **23.112 Administrative Salary Stipends.** A temporary salary increase that is provided to an
 369 employee as compensation for performing a specific, titled administrative function shall be permitted
 370 under this agreement as an Administrative Salary Stipend. At least 14 days prior to the effective date of
 371 any Administrative Salary Stipend, the University shall provide UFF a written notification of the stipend
 372 which states the name of the employee, the rank and discipline of the employee, the amount of the
 373 stipend, and the reason for the stipend. If all or part of the stipend is later added to the employee's salary,
 374 the amount so converted shall be treated as an Administrative Discretion Increase during the year in
 375 which the conversion takes place and shall be subject to limitations of that section.
 376

377 **23.123 Salary Rate Calculation and Payment.** The biweekly salary rate of employees serving on
 378 twelve month (calendar year) appointments shall be calculated by dividing the calendar year salary rate
 379 by 26.1 pay periods.
 380

381 **23.13 Compensation currency.** The university receives its budget and disburses monies in U.S.
 382 dollars.

ITEM: FF-1

**University of Central Florida
Board of Trustees**

SUBJECT: UCF Downtown Tri-Generation Facility Revision

DATE: January 18, 2018

PROPOSED BOARD ACTION

Recommend approval of the change in facility, revised budget, and renaming of the UCF Downtown Tri-Generation Facility.

BACKGROUND INFORMATION

The UCF Downtown Tri-Generation Facility project has been revised and should be renamed the UCF Downtown Central Energy Plant.

The original funding approved by the Board of Trustees was \$10.1 million and had a payback of 10 years for Phase I. After exploring numerous design and modeling scenarios, it was determined the initial budget is not sufficient to build the first phase of the project, and the initial payback schedule did not accurately anticipate the sizing and power generation needs of the planned facilities. In addition, the payback period of the power generation component does not reasonably justify the initial and continued operating costs of a campus this size.

As such, the design and phased construction of a central energy plant will move forward to meet only the chilled water needs of the campus. The UCF Downtown Central Energy Plant will cost \$12.3 million and will not have a payback.

In addition to the costs of the UCF Downtown Central Energy Plant, the decision to move from a tri-generation facility to a traditional central energy plant has cost implications for the Dr. Phillips Academic Commons. As a result of not self-generating power and hydronic hot water, changes are required, including adding boilers, emergency power generation, emergency circuits, and an external equipment yard. The design and construction costs for these changes increase the academic building budget by \$1.3 million.

Supporting documentation: None

Prepared by: Lee Kernek, Associate Vice President for Administration and Finance

Submitted by: William F. Merck II, Vice President for Administration and Finance
and Chief Financial Officer

ITEM: FF-2

**University of Central Florida
Board of Trustees**

SUBJECT: Facilities Planning and Construction Department Recommendations

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve recommendations for the Facilities Planning and Construction Department.

BACKGROUND INFORMATION

As a result of the departmental assessment conducted by HKA International, the following are being recommended:

1. Facilities Planning and Construction notify the Finance and Facilities Committee when the e-Builder software system is fully implemented and present reports that include all project activity to the committee on a regular basis.
2. Provost Whittaker work with Facilities Planning and Construction staff and the deans to implement a Minor Projects priority system for the colleges.
3. Athletics implement a pilot program to hire a program management or owner's authorized representative firm that will manage, implement, and oversee departmental facilities projects. The cost of the firm's services will be split between Athletics and Facilities.

Supporting documentation: None

Prepared by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

ITEM: FF-3

**University of Central Florida
Board of Trustees**

SUBJECT: Parking, Housing, and Health Auxiliary Facilities Operating Budgets

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve the 2018-19 operating budget for the university auxiliary facilities with outstanding revenue bonds as indicated in Attachment A.

BACKGROUND INFORMATION

The Board of Governors amended regulation 9.008 University Auxiliary Facilities with Outstanding Revenue Bonds to require the operating budget for these facilities be approved by the university's Board of Trustees prior to its submission to the Board of Governors in February. Previously, the operating budget for these facilities were approved as part of the university's operating budget in May.

Supporting documentation: Attachment A: 2018-19 Proposed Auxiliary Facilities Operating Budgets

Prepared by: Christina Tant, Assistant Vice President and University Controller

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Attachment A

University of Central Florida 2018-19 Proposed Auxiliary Facilities Operating Budgets

	2017-18 Estimated Actuals	2018-19 Proposed Budget	Increase/ (Decrease)
Parking			
Revenue	\$ 22,007,728	\$ 22,520,329	\$ 512,601
Expenditures			
Salaries and benefits	2,538,956	2,697,759	158,803
Operating expense ^{1,2}	11,500,263	13,198,610	1,698,347
Debt service	4,550,958	3,968,257	(582,701)
Construction transfers ³	9,541,477	3,198,277	(6,343,200)
Total expenditures	<u>28,131,654</u>	<u>23,062,903</u>	<u>(5,068,751)</u>
Net revenue (expense)	<u>\$ (6,123,926)</u>	<u>\$ (542,574)</u>	<u>\$ 5,581,352</u>
Ending operating cash	\$ 9,638,014	\$ 8,942,337	\$ (695,677)
Ending replacement reserves	6,485,115	6,638,218	153,103
Total cash	<u>\$ 16,123,129</u>	<u>\$ 15,580,555</u>	<u>\$ (542,574)</u>
Housing			
Revenue	\$ 30,342,000	\$ 30,300,000	\$ (42,000)
Expenditures			
Salaries and benefits	8,850,556	9,027,567	177,011
Operating expense ^{1,4}	15,404,963	12,894,245	(2,510,718)
Debt service	8,782,331	8,783,466	1,135
Construction transfers ⁵	480,000	3,100,000	2,620,000
Total expenditures	<u>33,517,850</u>	<u>33,805,278</u>	<u>287,428</u>
Net revenue (expense)	<u>\$ (3,175,850)</u>	<u>\$ (3,505,278)</u>	<u>\$ (329,428)</u>
Ending operating cash	\$ 12,234,343	\$ 8,729,065	\$ (3,505,278)
Ending replacement reserves	8,588,176	8,588,176	-
Total cash	<u>\$ 20,822,519</u>	<u>\$ 17,317,241</u>	<u>\$ (3,505,278)</u>

¹ Includes transfers to university departments for the auxiliary overhead assessment.

² Parking operating expenses are expected to increase due to the addition of Creative Village shuttles, the addition of the Station Apartment Complex Shuttle, and the Centroplex Garage lease and related operating expenses.

³ Construction transfers in 2017-18 and 2018-19 include \$11.4 million of funding for the Creative Village parking garage.

⁴ Decrease in operating expenses is primarily due to a non-recurring \$2.25 million residential network management system upgrade in 2017-18.

⁵ Increase in construction transfers for Housing is due to a planned \$2.7 million transfer to fund a portion of the buildout of the Creative Village academic support space in the privately developed student housing building.

Attachment A (Continued)

University of Central Florida
2018-19 Proposed Auxiliary Facilities Operating Budgets

	2017-18 Estimated Actuals	2018-19 Proposed Budget	Increase/ (Decrease)
Health Services			
Revenue	\$ 22,175,910	\$ 22,541,488	\$ 365,578
Expenditures			
Salaries and benefits	14,012,392	14,204,157	191,765
Operating expense ¹	7,390,815	7,087,163	(303,652)
Debt service	616,828	616,803	(25)
Construction transfers	137,099	137,099	-
Total expenditures	<u>22,157,134</u>	<u>22,045,222</u>	<u>(111,912)</u>
Net revenue (expense)	<u>\$ 18,776</u>	<u>\$ 496,266</u>	<u>\$ 477,490</u>
Ending operating cash	\$ 7,638,153	\$ 7,637,979	\$ (173)
Ending replacement reserves	6,224,877	6,721,317	496,439
Total cash	<u>\$ 13,863,030</u>	<u>\$ 14,359,296</u>	<u>\$ 496,266</u>

¹ Includes transfers to university departments for the auxiliary overhead assessment.

ITEM: INFO-4

**University of Central Florida
Board of Trustees**

SUBJECT: 2018 Finance and Facilities Committee Meeting Dates

DATE: January 18, 2018

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The 2018 Board of Trustees' Finance and Facilities Committee meetings are scheduled as follows and are subject to change:

January 18	11:30 a.m. – noon	Thursday	<i>FAIRWINDS</i> Alumni Center
February 21	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
April 18	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
May 24	Time - TBD	Thursday	<i>FAIRWINDS</i> Alumni Center
June 20	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
August 15	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
October 10	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393
December 12	8:30 – 10:30 a.m.	Wednesday	Millican Hall, #393

Supporting documentation: None

Prepared by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

ITEM: AUD-1

**University of Central
Florida Board of Trustees
Audit, Operations Review, Compliance, and Ethics Committee**

SUBJECT: Board of Governors' Performance-based Funding Data Integrity Certification
Audit Report

DATE: January 12, 2018

PROPOSED COMMITTEE ACTION

Accept University Audit's report on the Board of Governors Performance-based Funding Data Integrity Certification Process

BACKGROUND INFORMATION

As an annual requirement, University Audit has performed an audit of UCF's processes to ensure the completeness, accuracy, and timeliness of data submissions relating to Board of Governors' performance funding metrics.

The results of this audit are to be accepted by the committee including any identified corrective action plans. After acceptance by the committee, the report shall be submitted to the Board of Governors' Office of Inspector General and Director of Compliance no later than March 1, 2018.

Supporting documentation: Attachment A: Board of Governors' Performance-based Funding Data Integrity Certification Process Audit Report

Prepared by: Robert Taft, Chief Audit Executive, University Audit

Submitted by: Robert Taft, Chief Audit Executive, University Audit

UNIVERSITY AUDIT

AUDIT 343
DECEMBER 11, 2017

PERFORMANCE-BASED FUNDING DATA INTEGRITY

AUDIT OF INTERNAL CONTROLS AND COMPLIANCE
AS OF SEPTEMBER 30, 2017



UNIVERSITY OF CENTRAL FLORIDA

This work product was prepared in accordance with the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors, Inc.



MEMORANDUM

TO: John C. Hitt
President

FROM: Robert J. Taft
Chief Audit Executive

DATE: December 11, 2017

SUBJECT: Audit of Performance-based Funding Data Integrity

The enclosed report represents the results of our Performance-based Funding Data Integrity audit.

We appreciate the cooperation and assistance of the staff in Institutional Knowledge Management, the College of Undergraduate Studies, and UCF IT.

cc: Dale Whittaker
M. Paige Bordon
Linda Sullivan
Joel Hartman
Michael Sink
Elizabeth Dooley
Board of Trustees
Rick Schell

Background and Performance Objectives

Beginning in 2013-14, the Florida Board of Governors (BOG) implemented a performance-based funding (PBF) model which utilizes 10 performance metrics to evaluate universities on a range of issues, including graduation rates, job placement, cost per degree, and retention rates. According to information published by the BOG in May 2014, the following are key components of the funding model.

- For each metric, institutions are evaluated on either Excellence (a raw score) or Improvement (the percentage change from the prior year).
- Performance is based on data from one academic year.
- The benchmarks for Excellence are based on the BOG 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement are determined by the BOG after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and a proportional amount of institutional funding that would come from each university's recurring state base appropriation.

For 2017-18 funding, each university was evaluated on seven metrics common to all universities, except Florida Polytechnic University, which is not yet eligible to participate in the funding process. The eighth metric applied to all institutions except New College, which had an alternate metric more appropriate to its mission. The ninth metric was chosen by the BOG, focusing on areas of improvement and the distinct missions of each university. The tenth metric was chosen by each university's Board of Trustees (BOT) from the remaining metrics in the University Work Plan.

UCF's metrics were:

1. percent of bachelor's graduates continuing their education or employed (with a salary greater than \$25,000) within the U.S. one year after graduation
2. median wages of bachelor's graduates employed full-time one year after graduation
3. average cost to the student (net tuition per 120 credit hours) for a bachelor's degree
4. six-year graduation rate (includes full-time and part-time, first time in college students)
5. academic progress rate (second year retention with a GPA greater than 2.0)
6. bachelor's degrees awarded within programs of strategic emphasis
7. university access rate (percent of fall undergraduates with a Pell-grant)
8. graduate degrees awarded within programs of strategic emphasis
9. percent of bachelor's degrees without excess hours
10. number of bachelor's degrees awarded annually

In November 2016, the Board of Governors made changes to three of the metrics that applied to UCF:

- **Metric 1 – Percent of Bachelor’s Graduates Employed and/or Continuing their Education Further One Year after Graduation.** The wage threshold for determining whether a bachelor’s degree recipient is included in the data set was increased from minimum wage to \$25,000. By raising the wage threshold, the number of employed graduates that could be included in the data set was reduced by nine percent across the State University System. The benchmarks were then reduced based on the new (lower) system average. This change had no impact on UCF’s score for this metric; UCF’s excellence score was seven points both years.
- **Metric 2 – Median Wages of Bachelor’s Graduates Employed Full-time One Year after Graduation.** This metric is based on information BOG obtains from Unemployment Insurance data for recent bachelor’s degree recipients. Previously, BOG obtained this information only from Florida; graduates who left Florida for employment or graduate school were excluded. BOG now obtains the data from 41 states and districts, including the District of Columbia and Puerto Rico. By including graduates outside Florida, BOG captured about 12 percent more of the system graduates, increasing the average system wage about \$700. The benchmarks were increased based on the new (higher) system average. This change had minimal impact on UCF’s score for this metric; UCF’s excellence score increased from eight points last year to nine points this year.
- **Metric 3 – Average Cost per Bachelor’s Degree.** Previously, the metric was based on four years of university expenditure data (i.e., the university’s cost to offer the degree). The new metric calculates the student’s tuition and fees, books, and supplies, less any financial aid provided to the student (i.e., the student’s net cost to obtain the degree). Universities can impact this metric by keeping fees low, increasing institutional financial aid, and ensuring that students only take the courses required to obtain their baccalaureate degree. This change had significant impact on UCF’s excellence scores for this measure; UCF dropped from eight points last year to only three points this year.

The BOG developed a Performance-based Funding Data Integrity Certification form to provide assurances that the data provided by universities is reliable, accurate, and complete. This certification form is to be signed by the university president, affirmatively certifying each of 10 representations or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved by the university BOT and signed by the BOT chair.

To make such certifications meaningful, the BOG again instructed each university BOT to “direct the university Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university’s processes that ensure the completeness, accuracy, and timeliness of data submissions.”

Audit Objectives and Scope

The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of data submissions to the BOG, particularly as they relate to PBF metrics. This audit will also provide an objective basis of support for the president and BOT chair to certify the required representations on the data integrity certification form.

Our approach is to audit files related to four of the 10 measures each year so that all measures are tested twice within a five-year cycle. This year's testing including data files submitted as of September 30, 2017, related to:

- Metric 2: median wage of bachelor's graduates employed full-time one-year after graduation
- Metric 3: cost of bachelor's degrees to the student, net tuition and fees per 120 credit hours
- Metric 6: percent of bachelor's degrees awarded within programs of strategic emphasis
- Metric 9: percent of bachelor's degrees without excess hours

We performed a comprehensive review of the controls and processes established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics during our audit in 2015-16. During our 2016-17 audit and the current 2017-18 audit, we reviewed any changes to controls and processes.

In addition, we verified the completeness and accuracy of the Hours to Degree (HTD), Courses to Degree (CTD), Student Instruction File (SIF), and Student Financial Aid (SFA) files submitted to the BOG in support of the measures listed above. By developing our own queries in PeopleSoft and comparing those results to the files submitted to BOG, we were able to test 100 percent of the students submitted for each file.

Overview of Results

Based on our audit, we have concluded that UCF's controls and processes are adequate to ensure the completeness of data submitted to the BOG in support of performance-based funding. Although we found minor errors that resulted in inaccurate or incomplete information being submitted to the BOG for a small number of students, these errors were **immaterial**, were generally **not in UCF's favor**, and had **no impact** on UCF's overall ranking among SUS institutions. Additional details are contained in Table 1.

We believe that our audit can be relied upon by the university president and the UCF Board of Trustees as a basis for certifying the representations made to the BOG related to the integrity of data required for the BOG performance-based funding model.

Audit Performance Metrics

Beginning of audit: April 10, 2017

End of fieldwork: October 19, 2017

Audit Team Members:

Vicky Sharp, senior auditor, auditor in charge

Kathy Mitchell, associate director, level I reviewer

Robert Taft, chief audit executive, level II reviewer

Table 1 –Issues identified during the audit

Issue #	Description	Impact on UCF's Raw Score	Impact on UCF's Excellence Score	Impact on UCF's Ranking Among SUS Schools	Status of Remediation
1	A logic error in a translate table used to report Florida Residency for tuition purposes on the SIF Enrollment file resulted in some students being misclassified as Florida residents. This caused the inaccurate inclusion of 10 students (0.02% of the total 60,609 students) and a total of \$39,173 in waivers (0.02% of the total \$186.5 million in financial aid) reported in the SIF files for metric 3, average cost of a degree to the student.	Understated UCF's reported \$12,880 average cost of a degree by \$8, helping UCF's score by an immaterial amount	None	None	Fully remediated as of the date of this report
2	A logic error in the program used to pull courses used to satisfy students' degree requirements from the "myKnight Audit" academic advising software (implemented in Spring 2016) resulted in up to 663 students (0.005% of the total 11,981 students) being reported as having excess hours on the CTD files used for metric 9, percent of bachelor's degrees without excess hours.	The combination of these two issues understated UCF's reported 66.3% of bachelor's degrees without excess hours, hurting UCF's score (which could have been up to 73.1%)	With a raw score of 73.1%, UCF would have earned an additional 3 points for excellence on this measure	With 3 additional points, UCF would have moved from 5 th place to being tied for 4 th place with FSU. No financial impact.	Fully remediated as of the date of this report In addition, an automated process for entering transfer credits is being implemented, in part, to reduce the errors caused by manual data entry.
3	Errors in the manual entry of transfer credits for first-time-in-college (FTIC) students resulted in up to 161 students (1.3% of the total 11,981 students) being reported as having excess hours on the CTD used for metric 9, percent of bachelor's degrees without excess hours.				
4	UCF was late with one submission to the BOG (the 2015 HTD file). The delay was due to the implementation of the myKnight Audit software and a change in submitting the HTD file from once each semester to once annually.	None	None	None	Fully remediated as of the date of this report

Issue #	Description	Impact on UCF's Raw Score	Impact on UCF's Excellence Score	Impact on UCF's Ranking Among SUS Schools	Status of Remediation
5	An excess number of users (11 employees within UCF IT) had access to run the grade posting process within PeopleSoft Campus Solutions. While these users do not have any access to enter or change students' grades, this access had not been reviewed by UCF IT and appeared excessive.	None	None	None	<p>Fully remediated as of the date of this report</p> <p>In addition, to increase the security of individual accounts and personal data, multi-factor authentication has been implemented for all users who have access to student and employee records in PeopleSoft.</p>
6	An excess number of users (32 employees in UCF IT and 11 users in IKM) had access to edit the HTD file build. Because we tested 100% of the students in the HTD files, we verified that no inappropriate edits had been made.	None	None	None	<p>Fully remediated as of the date of this report</p> <p>In addition, an audit table was created to capture any edits to the HTD file build.</p>

ITEM: AUD-2

**University of Central
Florida Board of Trustees
Audit, Operations Review, Compliance, and Ethics Committee**

SUBJECT: Performance-based Funding Data Integrity Certification Form

DATE: January 12, 2018

PROPOSED COMMITTEE ACTION

Approval for submission of the Performance-based Funding Data Integrity Certification Form to the Board of Governors

BACKGROUND INFORMATION

As an annual requirement, UCF is required to complete a Performance-based Data Integrity Certification Form affirming the results of the completed audit report (AUD-1) and that all representations included in the Performance Data Integrity Certification Form have been fulfilled.

This document is to be signed by the university president and the UCF Board of Trustees Chair and is to be submitted to the Board of Governors' Office of Inspector General and Director of Compliance no later than March 1, 2018.

Supporting documentation: Attachment B: Board of Governors' Performance-based Funding Data Integrity Certification Form

Prepared by: Robert Taft, Chief Audit Executive, University Audit

Submitted by: Robert Taft, Chief Audit Executive, University Audit



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Performance Based Funding March 2018 Data Integrity Certification

Name of University: University of Central Florida

INSTRUCTIONS: Please respond “Yes” or “No” for each representation below. Explain any “No” responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university’s collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	An excess number of users had unnecessary access to certain electronic processes. This access is now properly restricted.
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The minor logic and manual errors noted in the audit report did not have a significant impact on the data submitted to the Board of Governors. These errors have been corrected.

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UCF was late with one submission (the 2015 Hours to Degree file). The delay was due to the implementation of new academic advising software and a Board of Governors-required change in submitting the HTD file from once each semester to once annually. No further delays are expected.
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007."	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
11. I recognize that the Board’s Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university’s operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date January 18, 2018
 President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date January 18, 2018
 Board of Trustees Chair

ITEM: CL-3

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: 2017-20 Performance Unit Plan Awards

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve the 2017-20 Performance Unit Plan awards.

BACKGROUND INFORMATION

The Performance Unit Plan, approved by the board on May 24, 2007, requires annual board approval of any Performance Unit Plan awards for the president and senior officers.

Supporting documentation:

Attachment A: Performance Unit Plan Awards for 2017-20

Prepared by: Maureen Binder, Associate Vice President and Chief Human Resources Officer

Submitted by: John Sprouls, Chair of the Compensation and Labor Committee

Attachment A

Performance Unit Plan Awards for 2017-20

Name	Position	Base Salary	Proposed Units for 2017-20					2017-20	Incr #	Incr %	Min	Target	Max
			2014-17	2015-18	2016-19	2017-20							
Whittaker, Dale	Provost and Executive Vice President, Academic Affairs	\$421,352	530	560	577	589	12	2%	\$14,714	\$58,854	\$88,281		
German, Deborah	VP and Dean, Medical Affairs	\$589,893	740	780	808	824	16	2%	\$20,604	\$82,416	\$123,624		
Klonoff, Elizabeth	VP, Research, and Dean of Graduate Studies	\$265,850	0	0	364	371	7	2%	\$9,282	\$37,128	\$55,692		
Merck, William	VP, Administration and Finance	\$342,348	410	460	469	478	9	2%	\$11,960	\$47,838	\$71,757		
Morseberger, Michael	VP, Development and Alumni Relations	\$447,686	0	600	613	625	12	2%	\$15,632	\$62,526	\$93,789		
Cole, Scott	VP and General Counsel	\$294,946	380	390	404	412	8	2%	\$10,302	\$41,208	\$61,812		
Heston, Grant	VP, Communications and Marketing	\$236,842	300	320	325	332	7	2%	\$8,288	\$33,150	\$49,725		
Holsenbeck, Daniel	Senior VP, University Relations	\$252,811	310	340	346	353	7	2%	\$8,823	\$35,292	\$52,938		
Ehasz, Maribeth	VP, Student Development and Enrollment Services	\$263,345	320	350	361	368	7	2%	\$9,206	\$36,822	\$55,233		
Schell, Rick	VP and Executive Chief of Staff, Office of the President	\$242,277	300	320	332	339	7	2%	\$8,466	\$33,864	\$50,796		
Hartman, Joel	VP, Information Technologies and Resources	\$319,112	0	420	437	446	9	2%	\$11,144	\$44,574	\$66,861		
	SubTotal	\$3,676,462	3,290	4,540	5,036	5,137	101		\$128,418	\$513,672	\$770,508		
Hitt, John ¹	President	\$606,876	2,630	2,788	2,940	3,028	88	3%	\$75,705	\$302,820	\$454,230		
	Total	\$4,283,338	5,920	7,328	7,824	8,165	189		\$ 204,123	\$ 816,492	\$ 1,224,738		

¹ Approved by the board of trustees on October 26, 2017

ITEM: FF-4

**University of Central Florida
Board of Trustees**

SUBJECT: WUCF TV Channel Sharing Agreement

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve changes to a channel-sharing agreement between WUCF TV and Good Life Broadcasting, Inc.

BACKGROUND INFORMATION

In October 2017, the UCF Board of Trustees approved a channel-sharing agreement between WUCF TV and Good Life Broadcasting, Inc., a Florida not-for-profit organization.

As noted at the time of approval, the agreement was subject to review by the Federal Communications Commission (FCC). After review, the FCC has requested amended contract language to clarify points related to technical operations. The FCC has also requested a list of equipment related to the channel share.

The FCC has indicated these clarifications will complete its review of the agreement.

Additionally, WUCF TV and the UCF Foundation have inserted language to ensure that all funds received that are eligible to be included in “Ignite: The Campaign for UCF” are included in the campaign.

All terms, bandwidth allocation, and payments remain as originally approved by the board.

Supporting documentation: Attachment A: Contract Amendment and Equipment List

Prepared by: Phil Hoffman, Executive Director, WUCF

Submitted by: Grant J. Heston, Vice President for Communications and Marketing

Attachment A

FIRST AMENDMENT TO CHANNEL SHARING AGREEMENT

THIS FIRST AMENDMENT TO CHANNEL SHARING AGREEMENT (this “First Amendment”) is made as of November __, 2017 by and between the University of Central Florida Board of Trustees (“Sharer”) and Good Life Broadcasting, Inc., a Florida not-for-profit corporation (“Sharee”). Sharer and Sharee may also be referred to herein collectively as the “Parties” and individually as a “Party.” Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

Recitals

WHEREAS, Sharer and Sharee are parties to that certain Channel Sharing Agreement dated September 27, 2017 (the “Agreement”);

WHEREAS, pursuant to the Agreement, Sharee has filed the Sharee CP Application with the FCC for a construction permit to operate on the WUCF Pre-Transition Channel, submitting the Agreement therewith for processing and review by the FCC staff;

WHEREAS, the FCC staff has requested an amendment to the Agreement to denote the equipment to be shared under the Agreement and to clarify the rights of Sharee in the event the Agreement terminates as a result of the loss of Sharer’s License after channel sharing has commenced;

WHEREAS, in addition to addressing the issues raised by the FCC staff in this First Amendment, the Parties also wish to amend the Agreement to include a provision related to attorney’s fees.

Amendment

NOW, THEREFORE, taking the foregoing recitals into account and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. The following sentence shall be inserted as the second sentence of Section 6(b), and Schedule A shall be added to the Agreement in the form attached to this First Amendment:

Sharer currently contemplates that major relevant components of the Shared Equipment will include the equipment listed in Schedule A hereto, which equipment may be modified in Sharer’s sole discretion, consistent with the other provisions of this Agreement.

2. Section 11(d)(ii) is hereby deleted and replaced with the following:

11(d)(ii) Loss of Sharer’s License After Channel Sharing has Commenced. After the Agreement Commencement Date, this Agreement shall terminate automatically if the FCC license of Sharer’s Station (or Sharer’s FCC authorization to operate on the Shared Channel), is revoked, relinquished, surrendered, withdrawn, rescinded, canceled, or not renewed and the FCC

order providing for such action is a Final Order. In such event, notwithstanding such termination, the shared spectrum rights shall revert to Sharee (subject to FCC approval) and Sharee may file an application with the FCC to change its authorization for use of the Shared Channel to non-shared status and acquire the spectrum usage rights of Sharer. In such event, the parties, acting in good faith, may negotiate the sale to Sharee of the Shared Equipment and/or Transmitter Site (as desired by Sharee) at fair market value, free and clear of liens, claims and encumbrances. In such event, Sharer and Sharee shall cooperate in good faith to effectuate such sale and conveyance of assets as promptly as practicable. For purposes of this Agreement, "Final Order" means that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for a stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

3. Section 12(e) is added to the Agreement as follows:

12(e) Attorneys' Fees. In the event that any action, suit or arbitration proceeding is instituted or commenced by either party hereto against the other party arising out of this Agreement, the prevailing party shall, in accordance with applicable law, be entitled to recover its attorneys' fees from the non-prevailing party if awarded by a court or arbitrator of competent jurisdiction.

4. Section 7(a) is amended as follows:

7(a) Sharing Fees. In consideration of the Sharee's right to receive its Allocated Bandwidth and to otherwise share capacity on the Shared Channel with Sharer throughout the Term, Sharee shall pay the sum of Four Million Two Hundred and Fifty Thousand Dollars (\$4,250,000) (the "Monetary Compensation" to the Sharer. The charitable value of this donation will be subject to valuation to be obtained by Sharer and communicated to Sharee and the qualified foundational designee (the "Sharer Foundation") not later than March 2018, and in accordance with the following terms and conditions:

4. Except as expressly amended hereby, the Agreement shall remain unmodified and shall continue in full force and effect in accordance with its terms. In the event of a conflict between the terms and conditions of the Agreement and this First Amendment, this First Amendment shall control.

5. This First Amendment may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date first above written.

SHARER: UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES

Name:

Title:

SHAREE: GOOD LIFE BROADCASTING, INC.,

Name:

Title:

SCHEDULE A

WUCF WTGL SCHEDULE A

QTY	MANUFACTURER	MODEL	DESCRIPTION
WTGL Site			
Evertz transport stream conversion			
1	Harmonic	FW-ELC-9K-ENC-HD-AVC	Firmware option for Electra 9000 platforms, enabling encoding of one video stream in AVC HD 1080i @25/29.97fps or 720p@50/59.94 fps, AVC. Supports MPEG 1 LII native audio encoding (3x stereo) and AC-3 (3x 2.0 or 1x 5.1) pass-through. . The price of the upgrade excludes any license fees necessary to practice or otherwise related to ISO IEC 14496-10.
2	Evertz	7880IP-ASI-IP+3RU	ASI to IP converter, IP to ASI converter, IP to IP converter
1	Evertz	7800FR+78P	3RU Multiframe which holds up to 15 single slot modules with AC power supply. Redundant power supply.
WUCF Site			
Harmonic Transcoder and Encoder			
2	Harmonic	ELC-X2S-G2-AC-GG-SA	ELC-X2S, 8 SDI input, 2xGbE IP input, 2xGbE IP output and up to 4 ASI outputs.
2	Harmonic	ELC-X2S-LIC-ATSC-IP- NP-BNDL6	ELC-X2S license. 6ch basic bundle. With 3x HD MPEG-2 + 3x SD MPEG-2 encoding licenses. 3x Dolby Digital Multi channel encoding . 9x stereo Dolby Digital encoding. 6x 608T0708-CC-XCODE. 6x statmux licenses. MUST be ordered with ELC-X2S-G2-AC-GG-S or ELC-X2S-G2-AC-GG-SA chassis
6	Harmonic	W-ELC-XVM-IP-IN-HD	Firmware option for Electra XVM platforms enabling one IP input service in

Board of Trustees Meeting - Consent Agenda

6	Harmonic	FW-ELC-XVM-IP-IN-SD	up to HD 1080i, 1080psf or 720p 4:2:2 or 4:2:0 format. This license is permanent, enforced and has a count of 1. Firmware option for Electra XVM platforms enabling one IP input service in SD 576i or 480i 4:2:2 or 4:2:0 format. This license is permanent, enforced and has a count of 1.
12	Harmonic	FWPRM-XVM-DT- TARGET-BTR-SRV	Enables the Convergence algorithm which allows setting a target average bit-rate per service within the stat-mux pool and with minimum degradation of the video quality. One per service is required
2	Harmonic	FW-PRM-XVM-TBL-SPOOLING	ProStream XVM firmware license enabling (P)SI/PSIP table carousel delivered from Triveni Generator. One per transport stream required
2	Harmonic	SP-S410	1RU SNMP-enabled monitoring unit. Eight contact closure inputs, two output relays and a temperature sensor. Alarm notification (via SNMP traps).
4	Harmonic	SW-LIC-20	Software license for Management and Monitoring devices using NMX. Class 20 devices - Enables 1 GPI closure each.

Ericsson RX8200 Decoder

- | | | | |
|---|----------|------------------|--------|
| 1 | Ericsson | RX8200-IP-HD-SDI | RX8200 |
|---|----------|------------------|--------|
- Easy to use Dashboard web interface
 - 1x ASI input transport stream input
 - Frame Sync input
 - IP transport stream input/output with FEC
 - MPEG-2 and MPEG-4 AVC SD/HD 4:2:0 Decoding

Add WTGL HD program to existing WUCF DTP

- | | | |
|---|------------------------|--|
| 1 | Imagine Communications | |
|---|------------------------|--|
- NX-DTP-4SDMP2 NEXIO DTP 4 SD OR 1 HD R/C MPEG2 PROGRAM
NEXIO Digital Turnaround Processor additional support for 4 SD or 1 HD rate- controlled MPE

Board of Trustees Meeting - Consent Agenda

Nevion Virtuoso protection switch

1	Nevion	VIRTUOSO-HW-1U-M4- AC2	Virtuoso Media Server appliance with redundant load-sharing AC power supplies. The 1RU appliance is modular and can hold up to 4 accelerator modules. 2x GigE ports (100/1000Base-T) and 2x 1/10GigE ports (SFP+). Requires VIRTUOSO-SW-OS-M4.
2	Nevion	TV-PWR-CAB-US	AC - US power cable.
1	Nevion	VIRTUOSO-SW-OS-M4	Virtuoso operating system providing web user interface, alarm handling and logging, configuration and monitoring APIs (HTTP/XML, SNMP), security and user management, maintenance and inventory management, plus IP/Ethernet networking and aggregation (1/10 GigE).
1	Nevion	VIRTUOSO-SW-TS- GW10	License option enabling transport of ten (10) MPEG-2 Transport Streams. ASI or TS over IP (SMPTE 2022-2) input/output. Each TS can be sent to multiple ASI ports and IP unicast/multicast destinations.
2	Nevion	VIRTUOSO-SW-TS- ISWX1	License option enabling one (1) alarm- based automatic TS switch with up to 4 inputs and 1 output. The TS output can be sent to multiple ASI ports and IP unicast/multicast destinations. Licensed per switch.
1	Nevion	VIRTUOSO-SW-TS- AMMX10	License option enabling advanced TS monitoring for a bundle of 10 services. Monitoring is according to ETSI TR 101 290 Priority 2 alarms (e.g. PCR accuracy/overall jitter) and Pri 3 DVB-SI and ATSC A/78. Note that Priority 1 alarms is included with the TS related media functions.
1	Nevion	VIRTUOSO-HW-ASI-X4	ASI input/output module with four (4) ports (BNC, 75 Ohm). The direction of

each port can be configured by the user.

Add to WTGL GuideBuilder Tag #ARC120211194

- 1 Triveni Digital GDBR-ADOT Each Additional Major Channel Number
- 1 Triveni Digital GDBR-INTF-PMCP Input Interface - PMCP Interface Module.

NOTE: The ProTrack system will require a configuration change to work with PMCP. Contact Myers for cost and assistance.

- 1 Triveni Digital GDBR-ROVI-SUB Annual Rovi subscription price, per call letter. Provides TV Guide data.

Existing

Existing

- 1 Triveni Digital GDBR-IP-HARM GuideBuilder - Output - Primary Target Multiplexer
Primary Transport Carouseling IP Output - Harmonic Electra
- 1 Triveni Digital GDBR-RIP-HARM Replicated Transport Stream Output -
Carouseling Replicated IP Output - Harmonic Electra

Existing

Existing

- 1 Triveni Digital ESSP-GDBR GuideBuilder Primary Enhanced System Service Plan - for up to two purchased transport stream outputs.

\$7,000.00

Ethernet Switch

- 3 Netgear GSM7252S v1h1 ProSAFE M5300-28G3 24-Port Gigabit Layer 3 Managed Stackable Switch

Support Agreements

- 1 Harmonic SLAST12R5 Standard Support for Electra-9200 MPEG4 license, 12 Month term, 5 Day RMA shipping, 8am - 5pm Monday - Friday Local time Remote Telephone Support (Severity 1 Cases receive 24/7/365 remote technical support)
- 1 Harmonic SLAST12R5 Standard Support, 12 Month term, 3 Day RMA shipping, 8am - 5pm Monday - Friday Local time Remote Telephone Support (Severity 1 Cases receive 24/7/365 remote technical support)
- 1 Nevion VIRTUOSO-MAINT Virtuoso software maintenance fee. Provides access to all major and minor software updates. A 5% fee of all installed SW and licenses (list price) is

Board of Trustees Meeting - Consent Agenda

			invoiced annually in advance.
1	Nevion	24322	Annual fee for 24/7 Premium Support. Fee based on list price of all products with installed software options. VideoPath 10%, All other products 3%. Invoiced annually in advance. Access to VideoPath and Virtuoso releases are subject to software maintenance agreements
1	Ericsson	FAP 130 3811/1	COMPRESSION BASIC SUPPORT (year)
	Commissioning		
1	Harmonic	SCTC-3	SYSTEM CHECK-OUT, TEST AND COMMISSIONING SERVICE. 3 days maximum. Inclusive of standard local / domestic travel and expenses.
1	Nevion	19722	1-Day Onsite Commissioning efforts including performing tests and verifications that the system is working as intended. All items are exclusive of travel and any travel and per diem expenses will need to be agreed and billed separately.
2	VTI	Project Management	Project Management including coordination between manufacturers and commissioning of some equipment. Travel and Per-Diem invoiced separately.

*NOTE: This change to MPEG 4 stream from Digital Convergence Alliance (DCA) requires the addition of a license file on the existing encoder, the cost and approval of this is TBD by DCA.

ITEM: FF-5

**University of Central Florida
Board of Trustees**

SUBJECT: Lake Nona Incubator Lease Agreement

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve an amendment to the lease agreement with the Lake Nona Innovation Center I, LLC, for the developing life sciences incubator for UCF at Lake Nona.

BACKGROUND INFORMATION

UCF's obligations, under the 12-year lease with Tavistock, approved by the UCF Board of Trustees on November 17, 2016, remain pending until substantial completion of the build out of the multi-tenant Lake Nona life sciences incubator. In 2013, Florida Hospital also received half of the \$5 million State of Florida appropriated Department of Economic Opportunity funds from the city of Orlando per a consortium agreement, but for a Florida Hospital Health Village life sciences incubator. In 2017, the city of Orlando and Florida Hospital amended their agreement to commit the funds instead to one initial life sciences incubator at Lake Nona Medical City. As a result, Tavistock obtained from Florida Hospital an additional \$2,324,223 for the construction and operation of the Lake Nona life sciences incubator. Accordingly, the lease is being revised to include these additional funds, to confirm their intended use, and to set forth the good faith obligations of each party if projected total costs exceed the new total allowance.

Supporting documentation: Attachment A: First Amendment to Lease
Attachment B: Lease Agreement

Prepared by: Sandra M. Sovinski, Senior Associate General Counsel

Submitted by: Thomas O'Neal, Associate Vice President for Innovation and Commercialization

Attachment A

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("Amendment") is made as of the ___ day of _____, 2017, by and among **LAKE NONA INNOVATION CENTER I, LLC**, a Florida limited liability company ("**Landlord**") and **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES**, a public body corporate ("**Tenant**").

- A. Landlord and Tenant are parties to that certain Lease dated March 10, 2017 (the "**Lease**").
- B. Tenant and Landlord desire to correct and modify certain provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual terms and conditions herein set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Recitals.** The foregoing recitals are incorporated herein by reference as though fully set forth below. Defined terms used within this First Amendment shall have meanings set forth in the Lease unless otherwise expressly provided herein.

2. **Use.** Section 1 Item 32 of the Lease is revised and restated to read as follows:

32. "**Use**" shall mean and be limited to operation by Tenant of a life sciences business incubator facility ~~and an associated administrative office~~ for the University of Central Florida, but for no other purpose. The incubator facility, and all of the activities of Tenant and Clients (defined below) operating in the Premises, shall be focused on translational research and/or drug development, and related commercialization, and such other business incubator uses as are permitted by the City of Orlando under that certain Consortium Agreement between the City of Orlando and Lake Nona Land Company, LLC (as amended) related to the operation of the business incubator in the Premises. The permitted Use shall not, however, include medical offices or clinics, but may include medical research and biological wet laboratory space. Without limitation the Use, and all of the other provisions of this Lease, shall be subject to the provisions of **Exhibit "G"** attached hereto and made a part hereof.

3. **Tenant Improvement Allowance.** Exhibit D Section 1.24 of the Lease is revised and restated to read as follows:

1.24. "**Tenant Improvement Allowance**" will mean up to a maximum amount of ~~One Million Six Hundred Fifty Thousand and No/100 Dollars (\$1,650,000.00)~~ Three Million Nine Hundred Seventy Four Thousand Two Hundred Twenty Three and No/100 Dollars (\$3,974,223.00), as further provided below. The Tenant Improvement Allowance is allocated and may only be used (unless otherwise approved by Landlord) as follows:

- a. Fixed Leasehold Improvements Construction Costs: \$2,950,000
- b. Furnishings, Fixtures and Equipment: \$800,000
- c. Incubator Facility Operational Expenses \$224,223

The Furnishings, Fixtures and Equipment (the "FF&E") portion of the Tenant Improvement Allowance shall be paid by Landlord to Tenant on a reimbursement basis upon Landlord's receipt of invoices from Tenant for those FF&E expenses, such FF&E

items and related costs to be subject to approval by Landlord in its reasonable discretion, which approval shall not be unreasonably withheld so long as the FF&E expenses bear a reasonable relationship to the permitted Use. The Incubator Facility Operational Expenses shall be paid by Landlord to Tenant as follows: Tenant shall submit an annual operational budget to Landlord for approval upon occupancy of the Premises. Upon Landlord's approval of that budget in its reasonable discretion, which approval shall not be unreasonably withheld so long as the budget entries bear a reasonable relationship to the permitted Use, Tenant shall submit an invoice to Landlord up to the approved operational budget amount for payment from the portion of the Tenant Improvement Allowance allocated to Incubator Facility Operational Expenses. If the entire Operational Expenses allocation is not disbursed for that initial year Tenant may submit additional annual budget(s) in subsequent year(s) for approval by Landlord and disbursement of the remaining allocated Operational Expenses funds.

4. **Construction Contract for Leasehold Improvements.** Exhibit D Section 2.3 is revised and restated in its entirety to read as follows:

2.3 **Construction Contract for Leasehold Improvements.** Landlord shall on behalf of Tenant enter into a Construction Contract for the construction of the Leasehold Improvements which shall be in form and substance as determined by Landlord, subject to the requirements of this Addendum and approved in writing by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. ~~Upon each execution by Landlord of the Leasehold Improvements construction contract, and prior to commencement of construction thereunder, Tenant shall pay to Landlord a sum equal to the anticipated total cost of such Leasehold Improvements Work (including all labor, materials, fees, costs, design and permitting charges and other related expenses) in excess of the portion of the Tenant Improvement Allowance. Landlord may use such funds received from Tenant for the first draw payments related to the Leasehold Improvements Work until such funds are exhausted. Thereafter Landlord shall fund the balance of such costs up to the amount of the share of the Tenant Improvement Allowance. If the total Leasehold Improvements Work costs exceeds the anticipated cost estimated at the commencement of construction, Tenant shall be solely responsible for such excess costs and shall immediately pay to Landlord the sum equal to the total of such excess costs upon notice of same from Landlord. At such time as it is determined that the costs of the Leasehold Improvements construction contract shall exceed the Tenant Improvement Allowance Tenant may elect by notice to Landlord to receive from Landlord an addition to the Tenant Improvement Allowance) (the "Additional Allowance") up to a total maximum amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) to be applied to fund all or a portion of such excess amount. In such event the amount of the Additional Allowance to be funded by Landlord shall be added to Tenant's Fixed Annual Rent based upon an amortization of such amount over a five (5) year period together with interest accruing thereon at the rate of six percent (6%) per annum. In the event of such Additional Allowance election Landlord and Tenant shall execute an amendment to this Lease setting forth the modified Fixed Annual Rent schedule payable by Tenant. If after election of an Additional Allowance Tenant duly and timely elects to exercise its early termination option set forth in Section 3.B. above such exercise shall not be effective unless Tenant simultaneously with exercising such early termination option pays to Landlord the full amount of the Additional Allowance which has not been repaid to Landlord under such Fixed Annual Rent amortization as of the date of such election notice. If Landlord determines prior to execution of the Leasehold Improvements construction contract that the projected total cost of the Leasehold Improvements will exceed the portion of the Tenant Improvement Allowance designated for Fixed Improvements Construction Costs~~

in Section 1.24 of this Exhibit "D", Landlord shall immediately notify Tenant, and before executing the construction contract or incurring such exceeding costs, Tenant and Landlord shall work together reasonably and in good faith to revise the scope of the Leasehold Improvements, as necessary, to enable completion of construction without exceeding that designated portion of the Tenant Improvement Allowance. Alternatively, if requested by Tenant in writing, and at its sole option, Tenant may elect to provide additional money, or may seek third-party additional money to fund the projected cost overrun. At the time of such written request by Tenant, Tenant shall notify Landlord as to the amount and any other necessary details of the additional funds, and Landlord and Tenant shall work together in good faith to amend the terms of this Lease accordingly. Tenant shall have no obligation to Landlord under this Lease for any cost of the Leasehold Improvements that exceeds the Tenant Improvement Allowance.

5. **Construction Contract for Leasehold Improvements.** Exhibit D Section 5.2 is revised and restated in its entirety to read as follows:

5.2 **Tenant's Cost.** Tenant will be liable for and obligated to pay the cost, as and when due, of preparing the Space Plans. Landlord will pay for the Leasehold Improvement Plans, which cost will be charged against the Tenant Improvement Allowance. If Tenant owes any amounts to Landlord under the lease or this Addendum, then the same shall be paid in a lump sum payment due within the times established in ~~Section 2.33-3~~ of this Addendum or as otherwise may be expressly provided in the other sections of this Addendum provided however, that interest shall accrue thereon at an interest rate of the Stipulated Rate, commencing on the date of payment by Landlord of such excess amounts. All of the foregoing amounts referred to above in this Section 5.2 that Tenant is obligated to pay are herein collectively referred to as the **"Tenant's Cost"**. Any amounts that are due to Landlord under this Section 5.2 and that are not paid as and when due pursuant to the terms hereof, shall accrue interest at the Stipulated Rate.

6. **END OF TERM.** Section 29 of the Lease is revised and restated in its entirety to read as follows:

SECTION 29 – END OF TERM.

1. Tenant shall surrender the Premises to Landlord at the expiration or sooner termination of this Lease in good order and condition, except for reasonable wear and tear, casualty, condemnation and acts of nature. Tenant agrees that if Tenant remains in possession of the Premises after the date of the expiration or sooner termination of this Lease without the consent of Landlord, there shall be no tacit renewal of this Lease or the Term, Tenant shall be deemed to be in default, and Tenant shall be deemed to be occupying the Premises as a holdover tenant at sufferance. During the holdover, the monthly Fixed Annual Rent, payable in advance on the first day of each month during such holdover, shall be equal to (a) 125% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for the first sixty (60) days of the holdover, and (b) 150% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for the next sixty (60) days of the holdover, and (c) 200% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for entire remaining period of the holdover, and such holdover shall otherwise be upon the same terms as are set forth in this Lease, so far as they are applicable to a tenancy at sufferance.

2. FF&E. Notwithstanding any other provision of the Lease to the

contrary, upon the expiration or termination of the Lease if elected by Landlord the FF&E items which were funded by the Tenant Improvement Allowance shall be deemed assigned and conveyed to Landlord, and shall not be removed by Tenant from the Premises by Tenant when Tenant vacates the Premises. Tenant shall upon Landlord's request execute a bill of sale and any other instruments reasonably requested by Landlord to confirm and evidence such transfer of ownership to Landlord. The FF&E shall be transferred to Landlord in good condition and repair, and shall not be subject to any lien or encumbrance in favor of any party.

3. The aforesaid provisions of this Section shall survive the expiration or sooner termination of this Lease.

7. **Limitation.** Except as otherwise expressly provided herein, all of the terms of the Lease are hereby ratified and shall remain in full force and effect.

[EXECUTIONS ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease, or have caused the same to be executed as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

LANDLORD:

**LAKE NONA INNOVATION CENTER I,
LLC**, a Florida limited liability company

Print Name: _____

By: _____ James
L. Zboril, President

[SEAL]

Print Name: _____

Date: _____, 2017

TENANT:

**UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES**, a public body
corporate

Print Name: _____

By: _____
Name: _____
Title: _____

[SEAL]

Print Name: _____

Date: _____, 2017

Attachment B

LEASE
BETWEEN
LAKE NONA INNOVATION CENTER I, LLC,
AS LANDLORD
AND
UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES,
AS TENANT

LEASE INDEX

	<u>PAGE NO.</u>
SECTION 1 – BASIC DATA	1
SECTION 2 – PREMISES	5
SECTION 3 – TERM	6
SECTION 4 – PERMITTED USE	6
SECTION 5 – FIXED ANNUAL RENT	7
SECTION 6 – SALES AND USE TAX	7
SECTION 7 – REAL ESTATE TAXES AND ASSESSMENTS.....	8
SECTION 8 – TENANT TO BEAR PROPORTIONATE SHARE OF OPERATING COSTS	9
SECTION 9 – USE OF COMMON AREAS	11
SECTION 10 – WASTE OR NUISANCE.....	11
SECTION 11 – CONSTRUCTION OF LANDLORD'S WORK	12
SECTION 12 – CONDITION OF PREMISES.....	12
SECTION 13 – ALTERATIONS.....	12
SECTION 14 – LIENS.....	12
SECTION 15 – NEGATIVE COVENANTS.....	13
SECTION 16 – REPAIRS.....	13
SECTION 17 – EMINENT DOMAIN.....	14
SECTION 18 – DAMAGE AND DESTRUCTION	15
SECTION 19 – QUIET ENJOYMENT	17
SECTION 20 – RIGHT OF ENTRY	17
SECTION 21 – SERVICES	17
SECTION 22 – SECURITY DEPOSIT	19
SECTION 23 – ASSIGNMENT AND SUBLETTING	19
SECTION 24 – DEFAULT	20
SECTION 25 – LEGAL EXPENSES	22
SECTION 26 – INSURANCE	22
SECTION 27 – INTENTIONALLY DELETED	24
SECTION 28 – LOSS AND DAMAGE	24
SECTION 29 – END OF TERM.....	24
SECTION 30 – SIGNS	24
SECTION 31 – NOTICES	25
SECTION 32 – LANDLORD'S REPRESENTATIONS	25
SECTION 33 – NON-WAIVER	26
SECTION 34 – SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT	27
SECTION 35 – ESTOPPEL CERTIFICATES; FINANCIAL STATEMENTS.....	27
SECTION 36 – RELOCATION.....	28
SECTION 37 – RULES AND REGULATIONS.....	28
SECTION 38 – BROKER.....	28
SECTION 39 – DECLARATION.....	28
SECTION 40 – PARKING	29
SECTION 41 – CONSTRUCTION OF LANGUAGE.....	29
SECTION 42 – LIABILITY OF LANDLORD	29
SECTION 43 – GOVERNING LAW	30
SECTION 44 – TIME OF ESSENCE	30
SECTION 45 – ACCORD AND SATISFACTION	30
SECTION 46 – ENTIRE AGREEMENT	30

SECTION 47 – SEVERABILITY	30
SECTION 48 – INTEREST ON PAST DUE OBLIGATIONS.....	30
SECTION 49 – LANDLORD'S LIEN	31
SECTION 50 – RADON DISCLOSURE	31
SECTION 51 – OFAC COMPLIANCE	31
SECTION 52 – NAME OF BUILDING	31
SECTION 53 – EXCUSE OF PERFORMANCE	31
SECTION 54 – TENANT'S REPRESENTATIONS	32
SECTION 55 – NO JOINT VENTURE.....	32
SECTION 56 – COVENANTS OF TENANT	32
SECTION 57 – SUCCESSORS AND ASSIGNS.....	33
SECTION 58 – TELECOMMUNICATIONS	33
SECTION 59 – COUNTERPART EXECUTION	34
SECTION 60 – WAIVER OF JURY TRIAL; COUNTERCLAIMS	34
SECTION 61 – THIRD PARTY BENEFICIARIES	34

SCHEDULE OF EXHIBITS

- EXHIBIT "A" - BUILDING LAND LEGAL DESCRIPTION
- EXHIBIT "B" - PREMISES FLOOR PLANS
- EXHIBIT "C" - EXCLUSIONS TO OPERATING COSTS
- EXHIBIT "D" - CONSTRUCTION ADDENDUM
- EXHIBIT "E" - RULES AND REGULATIONS
- EXHIBIT "F" - PARKING PROVISIONS
- EXHIBIT "G" - LAB OPERATIONS REQUIREMENTS AND LIMITATIONS
- EXHIBIT "H" - CLIENT SUBLEASE STANDARDS

LEASE

THIS LEASE ("Lease") is made by and between LAKE NONA INNOVATION CENTER I, LLC, a Florida limited liability company ("**Landlord**"), and UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES, a constituent member of the Florida state university system existing pursuant to Section 7, Article IX of the Constitution of the State of Florida and is administered by the Board of Trustees, a public body corporate, pursuant to said Section and Section 1001.72, Florida Statutes ("**Tenant**").

WITNESSETH:

SUMMARY OF LEASE PROVISIONS

SECTION 1 – BASIC DATA. Certain fundamental provisions of this Lease are presented in this summary format in this Section 1 to facilitate convenient reference by the parties hereto. All references in this Lease to the following terms shall be accorded the meanings or definitions given in this Section, as though such meaning or definition were fully set forth throughout the text hereof, unless such meanings are expressly modified, limited or expanded elsewhere in this Lease. This Section, together with the terms herein referenced, shall constitute an integral part of this Lease. Additional defined terms may appear in other provisions of this Lease and, if so, will have the respective meanings assigned to them. The definition of a term or phrase in the singular will include and allow for a reference to such term or phrase in the plural or vice versa.

1. "**Alteration**" shall mean any improvements, changes or alterations in or about the Premises (as defined in Section 13) other than the initial Leasehold Improvements (as defined herein).

2. "**Base Building**" shall have the meaning set forth in Exhibit "D" (the "**Construction Addendum**").

3. "**B.O.M.A. Method**" shall mean the standard method for measuring floor area in office buildings as published by the Builders, Owners and Managers Association International, ANSI/B.O.M.A. Z65.1-1996, and approved June 7, 1996 by the American National Standards Institute, Inc.

4. "**Building**" shall mean the building which has been constructed by Landlord on the Building Land (as defined in Section 1.5). A general description of the Building is a three (3) story office and research building, containing the Premises, approximately seventy seven thousand two hundred ten (77,210) square feet of additional tenant space, and parking at grade. The Building is commonly known as "Innovation Center I".

5. "**Building Land**" shall mean that certain real property more particularly described on Exhibit "A" attached hereto and made a part hereof.

6. "**Business Days**" shall mean all days, except Saturdays, Sundays, New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

7. "**Commencement Date**" shall mean date Landlord obtains a certificate of occupancy for the Premises.

8. "**Common Areas**" shall mean the following areas: (i) any areas in the Building devoted

to shared lobbies, hallways, elevators, rest rooms, janitorial closets, mailrooms, vending areas and other similar facilities provided for the common use or benefit of tenants generally and/or for the public located in the Building (but shall not include any such areas designated for the exclusive use or benefit of a particular tenant, including Tenant); (ii) portions of the Building used for mechanical rooms, electrical facilities, telephone closets, fire towers and building stairs (but shall not include any such areas designated for the exclusive use or benefit of a particular tenant, including Tenant), provided Tenant is not granted a license to utilize such areas; (iii) elevator shafts, vents, stacks, pipe shafts and vertical ducts, provided Tenant is not granted a license to utilize such areas; and (iv) those portions of the Building and/or the Building Land which are provided and maintained for the common use and benefit of Landlord and tenants of the Building only and employees and invitees and licensees of Landlord and such tenants; including, without limitation, all atriums, walkways, parking areas, and all streets, sidewalks and landscaped areas comprising the Building Land.

9. "**Effective Date**" shall mean the date this Lease has been fully executed by both Landlord and Tenant and a fully executed original of such executions has been delivered to both parties.

10. "**Fixed Annual Rent**" shall mean and Tenant shall pay base rental ("**Fixed Annual Rent**") for the Term (as defined herein) as follows:

<u>Lease Year</u>	<u>Base Rate Per Rentable Square Foot</u>	<u>Annual Base Rental</u>	<u>Monthly Base Rental (Not Incl. Sales Tax)</u>
1	\$25.00	\$250,000.00	\$20,833.33
2	\$25.75	\$257,500.00	\$21,458.33
3	\$26.53	\$265,300.00	\$22,108.33
4	\$27.33	\$273,300.00	\$22,775.00
5	\$28.15	\$281,500.00	\$23,458.33
6	\$29.00	\$290,000.00	\$24,166.67
7	\$29.87	\$298,700.00	\$24,891.67
8	\$30.77	\$307,700.00	\$25,641.67
9	\$31.70	\$317,000.00	\$26,416.67
10	\$32.65	\$326,500.00	\$27,208.33
11	\$33.63	\$336,300.00	\$28,025.00
12	\$34.64	\$346,400.00	\$28,866.67

Fixed Annual Rent shall be due beginning on the Commencement Date.

11. "**Governmental Authority**" shall have the meaning set forth in Section 56.

12. "**Governmental Requirements**" shall have the meaning set forth in Section 56.

13. "**Hazardous Substance**" shall mean any flammables, explosives, radioactive material, hazardous wastes, hazardous or toxic substances or related materials, asbestos or any material containing asbestos, medical waste, special and infectious waste, biological materials (including without limitation blood and blood products), electromagnetic fields, mold and chemicals known to cause cancer or reproductive toxicity, or any other substance or material as defined in any federal, state or local environmental Governmental Requirement, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 42 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the

Clean Water Act, 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substance Control Act, 15 U.S.C. §2601 et seq.; the regulations of the Occupational Safety and Health Administration, 29 C.F.R. § 1910.1001; the National Emission Standard for Hazardous Air Pollutants, 40 C.F.R. Part 61, Subpart M; and the regulations adopted in publications promulgated pursuant to each of the foregoing (collectively, the “Environmental Laws”).

14. "**Landlord**" shall mean Lake Nona Innovation Center I, LLC, a Florida limited liability company. Landlord may at any date after the Effective Date transfer title to the Project to an affiliate or subsidiary of Lake Nona Innovation Center I, LLC, and in such event the transferee shall assume all of the obligations of Landlord hereunder, and Lake Nona Innovation Center I, LLC shall be released from all obligations and liabilities under this Lease.

15. "**Lease Year**" shall mean the following for the first Lease Year of the Term: the twelve (12) full month period beginning on the Commencement Date. If the Commencement Date falls on a day other than the first day of a month, then the first Lease Year shall include the period from the Commencement Date through the end of the calendar month in which the Commencement Date falls. Commencing with the second Lease Year and for each Lease Year thereafter occurring during the Term, "Lease Year" shall mean each twelve (12) month period commencing on the first day of the second Lease Year and each anniversary thereof. For example, if the Commencement Date occurred on January 15, 2015, then the first Lease Year would commence on January 15, 2015 and would end on January 31, 2016, and each subsequent Lease Year would be the twelve (12) month period from February 1 through January 31.

16. "**Leasehold Improvement Plans**" shall have the meaning set forth in Section 1.14 of the Construction Addendum.

17. "**Leasehold Improvements**" shall have the meaning set forth in Section 1.15 of the Construction Addendum.

18. "**Material Alterations**" shall mean any alteration which: (i) in any way affects the exterior of the Premises or is not limited solely to the interior of the Premises; or (ii) is structural in nature or otherwise affects the strength of the Building; or (iii) affects the mechanical, electrical, sanitary (including plumbing), or other services of the Building; or (iv) has an aggregate cost greater than Twenty Five Thousand and No/100 Dollars (\$25,000.00).

19. "**Normal Business Hours**" shall mean from 7:30 a.m. to 6:00 p.m. during all Business Days.

20. "Notice Address":

To Landlord at: Lake Nona Innovation Center I, LLC
6900 Tavistock Lakes Blvd.
Suite 200
Orlando, Florida 32827
Attention: James L. Zboril, President and
Michelle Rencoret, General Counsel

with a required simultaneous copy of default notices to: Akerman LLP
420 South Orange Avenue, Suite 1200
Orlando, Florida 32801
Attention: Jeffrey P. Wieland, Esq.

To Tenant at: University of Central Florida
12201 Research Parkway, Suite 501
Orlando, FL 32826-3246
Attention: Thomas O'Neal, Associate Vice
President

with a required University of Central Florida
simultaneous copy 4365 Andromeda Loop North
of default notices Orlando, FL 32816-0016
to: Attention: Scott Cole, General Counsel

21. "**Premises**" shall mean that portion of the second (2nd) floor of the Building as substantially identified by labeling on the floor plans attached hereto and made a part hereof as **Exhibit "B"** containing a total of approximately Ten Thousand (10,000) square feet of Rentable Area (as defined in Section 1.23 below), subject to adjustment as provided in Section 2 hereof.

22. "**Project**" means the Building Land, together with all improvements constructed or to be constructed thereon from time to time including, but not limited to, the Building and Common Areas.

23. "**Rentable Area**" shall mean the total rentable area of the Premises and of the Building, respectively, as calculated by Landlord's architect pursuant to Section 2.C below. As of the Effective Date Rentable Area of the Premises means approximately Ten Thousand (10,000) square feet and Rentable Area of the Building means approximately Ninety Two Thousand Two Hundred Ten (92,210) square feet, and such are subject to adjustment as provided in Section 2 hereof.

24. "**Rent Payment Location**" shall mean 6900 Tavistock Lakes Blvd., Suite 200, Orlando, Florida 32827, or such other location as Landlord may designate in writing from time to time.

25. "**Stipulated Rate**" means interest at the lesser of (a) the rate of ten percent (10%) per annum, or (b) the highest legal rate of interest permitted under Florida law.

26. "**Subtenant**" shall mean a sublessee of all or part of the Premises from Tenant excluding Tenant's Business Incubation Program Clients with subleases permitted by Section 23.A below.

27. "**Tenant**" shall mean University of Central Florida Board of Trustees, a public body corporate.

28. "**Tenant's Property**" shall mean all movable partitions, business and trade fixtures, machinery and equipment (including, without limitation, imaging and lab equipment), computers, furniture, signage, communications equipment and office equipment, whether or not attached to or built into the Premises which are installed in the Premises by or for the account of Tenant and can be removed without structural damage to the Building and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises.

29. "**Tenant's Proportionate Share**" shall mean ten and eight tenths percent (10.8%), subject to adjustment as provided in Section 2 hereof. Tenant's Proportionate Share shall be due commencing upon the Commencement Date.

30. "**Term**" shall mean one hundred forty four (144) full calendar months commencing on the Commencement Date and ending at 11:59 p.m. on the last day of the twelfth (12th) Lease Year ("**Expiration Date**") or on such earlier date in which the Term of this Lease shall expire or be cancelled or

terminated pursuant to any of the conditions or covenants of this Lease or pursuant to law.

31. "**Usable Area**" shall mean the total usable area (as it exists from time to time) based on the B.O.M.A. Method as modified to include in Usable Area the area of vertical mechanical chases.

32. "**Use**" shall mean and be limited to operation by Tenant of a life sciences business incubator facility and an associated administrative office for the University of Central Florida but for no other purpose. The permitted Use shall not, however, include medical offices or clinics, but may include medical research and biological wet laboratory space. Without limitation the Use, and all of the other provisions of this Lease, shall be subject to the provisions of **Exhibit "G"** attached hereto and made a part hereof.

STANDARD PROVISIONS OF LEASE

SECTION 2 – PREMISES.

A. Subject to the Rent, terms and conditions of this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, subject to the terms and provisions of this Lease to have and to hold for the Term, unless the Term shall be sooner terminated as hereinafter provided. Landlord agrees to tender exclusive possession of the Premises to Tenant (and Tenant agrees to accept possession of the Premises from Landlord) upon Substantial Completion of the Leasehold Improvements Work.

B. Landlord and Tenant acknowledge and agree that the Rentable Area of the Premises and the Building specified in Section 1.23 of this Lease are approximations. After Substantial Completion of the Leasehold Improvements (as defined in Sections 1.15 and 1.22 of the Construction Addendum) Landlord shall, at Landlord's own expense, direct its architect to determine the actual Rentable Areas of the Premises and the Building and the Tenant's Proportionate Share (calculated as provided in Section 2.C. below and showing in detail the method of calculation thereof as actually constructed) and certify the same to Landlord and Tenant. In the event that the foregoing measurements as determined in good faith by Landlord's architect are greater or less than the square footage specified in Section 1.23 of this Lease, the Rentable Areas of the Premises and Building and Tenant's Proportionate Share shall be adjusted to equal the amount so determined, and the Fixed Annual Rent, the Tenant Improvement Allowance (as defined in Section 1.24 of the Construction Addendum), and all other amounts specified in this Lease which are calculated based on the Rentable Area of the Premises and/or Building shall be adjusted accordingly.

C. The Rentable Area of the Building shall be determined by making separate calculations of Rentable Area applicable to each floor within the Building and totaling the Rentable Area of all floors within the Building. The Rentable Area of a floor shall be calculated based upon the modified B.O.M.A. Method but shall also include the area of vertical mechanical chases. The term "**Rentable Area**," when applied to the Premises, is that area equal to the Usable Area of the Premises, plus an equitable allocation of Rentable Area within the Building that is not then utilized or expected to be utilized as Usable Area, including but not limited to that portion of the Building devoted to corridors, equipment rooms, restrooms, elevator lobby, atrium and mailroom.

D. In the event Tenant disagrees with Landlord's architect's determination of the Rentable Areas of the Premises or Building as constructed, Tenant shall have the right to obtain a good faith determination of the measurement in question by an architect of its choosing, within thirty (30) days after Tenant's receipt of Landlord's architect's determination. In order to challenge Landlord's architect's determination, Tenant shall be required to have its architect determine the actual Rentable Areas of the Premises and the Building and the Tenant's Proportionate Share as described above, and Tenant's architect shall certify the same to Landlord and Tenant. If the determinations of the measurement in question by the architects of the respective parties differ, the architects shall each be provided with a copy of the other

party's architect's determination. The two (2) architects shall have fourteen (14) days from delivery of the other party's architect's determination to agree or to select a mutually agreeable third architect. Such third architect shall have thirty (30) days from the date he or she is selected to make such independent measurements and investigation as he or she deems reasonable and necessary and to deliver to the parties a written determination. The determination of such third architect or engineer will be final, binding and non-appealable. Each party shall bear the cost and fees of its architect, and both parties shall equally divide the costs and fees of the third architect. If the architects of the respective parties fail to agree yet do not appoint a third architect within the time provided, then either party may request that the then President of Orange County chapter of the American Institute of Architects (or its successor organization) appoint such third architect. If Orange County does not have a chapter of the American Institute of Architects, then either party may request the Chief Judge of the Orange County Circuit Court to appoint such third architect or engineer. If the parties have not agreed upon the Rentable Area of the Premises, Tenant shall pay Fixed Annual Rent during the period prior to the final determination in an amount calculated using Landlord's architect's determination of the Rentable Area of the Premises. Upon the final determination of the Rentable Area of the Premises, Tenant shall immediately pay any amounts which were due and not paid, or Landlord shall credit Tenant's account for any excess amounts previously paid, as the case may require.

SECTION 3 – TERM; EARLY TERMINATION.

A. Term. The Term shall commence on the Commencement Date. Notwithstanding that the Term commences at a date later than the Effective Date, this Lease shall be a fully binding obligation of the parties as of the Effective Date.

B. Tenant's Early Termination Option. Tenant is currently pursuing recurring appropriations by the Legislature of the State of Florida for funding for its anticipated operations to occur at the Premises in the annual amount of \$1,200,000. Tenant shall diligently pursue obtaining approval of such recurring appropriations through the 2017, 2018 and 2019 State of Florida Legislative Sessions. Should Tenant not receive any such recurring appropriations approval by the Florida Legislature during either the 2017, 2018, or 2019 State of Florida Legislative Session Tenant shall have the option to terminate this Lease by notice to Landlord effective upon last day of the third Lease Year, provided such termination notice is sent not earlier than the final day of the 2019 Legislative Session and prior to the date thirty (30) days after the final day of the 2019 Legislative Session, and further provided that with Tenant's notice of termination Tenant pays to Landlord any unamortized portion of the Additional Allowance described in Section 2.4. of **Exhibit "D"**. In such event Tenant shall be released from all rent obligations hereunder after the effective date of such termination, and all of the other provisions of this Lease applicable at the originally stated expiration of the Term shall be applicable to such early termination date. Failure to duly and timely exercise such termination option shall automatically be deemed a waiver of Tenant's right to terminate under this Section 3.B. In the event Tenant receives a recurring appropriation approval in the 2017, 2018 or 2019 Legislative Session this Section 3.A. and Tenant's early termination option set forth herein shall automatically become null and void.

SECTION 4 – PERMITTED USE. It is understood that the Premises are to be used solely for the Use set forth in Section 1 and for no other purposes without Landlord's prior written consent, to be given in Landlord's sole discretion, but not to be unreasonably denied. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business in the Premises, Tenant shall, at its expense, duly procure and thereafter maintain such license or permit and shall at all times comply with the terms and conditions of same. Tenant shall not at any time suffer the Premises to be used or occupied (a) in violation of (i) the certificate of occupancy for the Premises or for the Building, (ii) any of the provisions of this Lease, or (iii) zoning ordinances, and rules and regulations of Governmental Authorities having jurisdiction. The Premises shall be used and occupied so as not to contravene any present or future Governmental Requirements, or the requirements of Landlord's or Tenant's insurers, subject to the terms of

Section 56 below. Tenant agrees not to use or permit the use of the Premises for any purpose which is illegal, dangerous to life, limb, or property or which, in Landlord's reasonable opinion, creates a nuisance. Further, and notwithstanding any other provision herein to the contrary, Tenant shall make no use of the Leased Premises which violates or is prohibited by any provision of the Declaration (defined below) or any other restrictive covenant affecting the Premises. During the Term, Tenant shall continuously, actively, and diligently carry on the permitted Use on the majority of the Premises, subject to Section 53 below.

SECTION 5 – FIXED ANNUAL RENT.

A. Subject to Tenant's tax exempt status as set forth in Section 6, Tenant hereby covenants and agrees to pay to Landlord in lawful United States currency, together with any and all applicable sales and use taxes (including, without limitation, sales tax on rents) levied upon Tenant for its the use and occupancy of the Premises as set forth in Section 6, the Fixed Annual Rent specified in Section 1 payable in equal monthly installments in advance, beginning on the Commencement Date, and continuing on the first day of each and every calendar month thereafter during the Term. All forms of Rent (as defined herein) due under this Lease shall be paid to Landlord, without demand, setoff or deduction whatsoever, unless otherwise expressly set forth herein, at the Rent Payment Location specified in Section 1 or at such other place as Landlord shall designate in writing to Tenant. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, then the installments of Fixed Annual Rent for such month or months shall be prorated on a per diem basis, based on a 365-day year and the number of days in such month.

Promptly after the Commencement Date, the parties shall execute an instrument confirming the Commencement Date and the Expiration Date of the Term hereof, but the failure of any party to do so shall not release any of the parties from any of their obligations hereunder.

B. Any and all sums of money or charges, other than Fixed Annual Rent, required to be paid by Tenant under this Lease, whether or not the same be so designated, shall be considered "**additional rent.**" Landlord shall have the same rights and remedies with respect to additional rent as with respect to Fixed Annual Rent. The term "**Rent**" is hereby defined to mean the Fixed Annual Rent and any additional rent payable by Tenant to Landlord under this Lease.

C. In the event any monthly installments of Fixed Annual Rent and Tenant's Proportionate Share of Operating Costs (as defined herein) and Tenant's Proportionate Share of Taxes (as defined herein and subject to Tenant's tax exempt status as set forth in Section 6) due Landlord hereunder shall not be paid within ten (10) days after the due date thereof, a late charge equal to five percent (5%) of the unpaid installment shall be assessed against the unpaid amount. In the event any Rent other than monthly installments of Fixed Annual Rent and Tenant's Proportionate Share of Operating Costs and Tenant's Proportionate Share of Taxes (subject to Tenant's tax exempt status as set forth in Section 6) due Landlord hereunder shall not be paid within ten (10) days after Tenant's receipt of written notice from Landlord, a late charge equal to five percent (5%) of the unpaid amount shall be assessed against the unpaid amount.

SECTION 6 – SALES AND USE TAX. Tenant is a tax exempt university of the State of Florida, and pursuant to Florida Department of Revenue certificate number 85-8012703010C-9, issued pursuant to Chapter 212, Florida Statutes, is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.

SECTION 7 – REAL ESTATE TAXES AND ASSESSMENTS.

A. The term "**Taxes**" shall mean and include all ad valorem real estate taxes and general and

special assessments (whether foreseen or unforeseen, ordinary or extraordinary, and including, without limitation, non ad valorem assessments), which shall, beginning on the Commencement Date and continuing during the Term, become due and payable with respect to the Project, other than any fine, penalty, cost or interest for any tax or assessment or part thereof which Landlord failed to pay prior to delinquency (except if same are imposed by reason of Tenant's default hereunder). Landlord shall pay, prior to delinquency, all Taxes levied or assessed against the Project. Nothing contained in this Lease shall require Tenant to pay any estate, inheritance, succession, capital levy, corporate franchise, gross receipts, transfer or income tax of Landlord, nor any Taxes for which Tenant is tax exempt, whether or not such Taxes are charged or otherwise assessed to Landlord.

B. Commencing on the Commencement Date, subject to Tenant's tax exempt status as set forth in Section 6, Tenant shall pay to Landlord Tenant's Proportionate Share of the amount of Taxes in monthly installments on the first day of each month, together with Tenant's payment of Fixed Annual Rent, in advance, in an amount estimated by Landlord from time to time. Landlord shall have the right, at any time and from time to time, by written notice to Tenant, to change said estimate. Subsequent to the end of each Lease Year, Landlord shall notify Tenant of Tenant's actual Proportionate Share of Taxes for such Lease Year. If the payment made by Tenant for such year is less than the actual amount due from Tenant, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, within thirty (30) days after receipt of such notice. If the total amount paid by Tenant for such year exceeds the actual amount due from Tenant, such excess shall be credited against the next Rent payment due from Tenant, or if the Lease has terminated and Tenant is not in default, such excess shall be refunded to Tenant within thirty (30) days of Landlord's written notice to Tenant of Tenant's actual Proportionate Share of Taxes as aforesaid. Tenant's Proportionate Share of Taxes for the final Lease Year of the Term shall be due and payable even though it may not be finally calculated until after the Expiration Date, and such obligation shall survive the expiration or earlier termination of the Term.

C. In the event that taxing authorities in the locality in which the Premises are located include or calculate, in Taxes, the value of Tenant's Property, then and in that event Tenant shall provide a copy of its exemption via Florida Department of Revenue certificate number 85-8012703010C-9 to said taxing authorities, and if such taxing authorities do not reduce the Taxes by the amount related to Tenant's Property Tenant shall pay when due all taxes on such items.

D. Tenant shall also pay to Landlord as additional rent, Tenant's Proportionate Share of the reasonable costs and expenses paid or incurred by Landlord during each calendar year of the Term for professional and other services to the extent such contribution, whether direct or indirect, is not prevented by Florida law (including, but not limited to, reasonable fees and expenses of consultants, attorneys, appraisers and experts) in connection with efforts which successfully lowered Taxes or successfully resisted increased Taxes provided, however, in no event shall Tenant's Proportionate Share of such costs and expenses exceed the amount of the savings; and provided further that Tenant is responsible for Tenant's Proportionate Share of the filing fees and other costs involved in a contest of Taxes (other than costs for professional and other services, such as costs of consultants, attorneys, appraisers and experts), regardless of the outcome thereof. Such costs and expenses shall be determined in accordance with generally accepted accounting principles, consistently applied ("GAAP") and allocated to any particular calendar year on the accrual method of accounting. Tenant shall pay Tenant's Proportionate Share, subject to the limitations set forth herein, of such costs and expenses annually within thirty (30) days following receipt by Tenant of a statement therefor, and Tenant's Proportionate Share shall be prorated in the event Tenant is required to make such payment for a partial Lease Year.

E. With respect to any special assessments for Taxes which may be evidenced by improvement or other bonds, or may be paid in installments, only the amount of such installment (with

appropriate proration for any partial calendar year) which become due during the Term shall be included in Tenant's annual pro rata portion of Taxes.

F. Any rebates, refunds or abatements of Taxes received by Landlord subsequent to payment of Taxes by Tenant shall be refunded to Tenant on a pro rata basis within thirty (30) days of receipt thereof by Landlord. Any such rebate, refund or abatement realized by Landlord prior to payment by Tenant shall result in an immediate reduction in Tenant's pro rata portion of the Taxes then due to Landlord.

SECTION 8 – TENANT TO BEAR PROPORTIONATE SHARE OF OPERATING COSTS.

A. For the purpose of this Lease, the term "**Operating Costs**" shall mean the total cost and expense incurred by Landlord in operating, managing, and maintaining and repairing the Project. Operating Costs shall not include costs for services being provided solely for any other tenant and/or systems exclusively serving any other premises. The items and charges comprising Operating Costs shall specifically include, without limitation, gardening and landscaping, the cost of public liability, property damage and other insurance as is customary for similar projects located in Orange County (including, without limitation, the insurance described in Section 26 of this Lease), repairs, line painting, parking lot resurfacing, lighting, electricity, sewer and water allocable to the Common Areas, sign maintenance, music systems, sanitary control, removal of trash, rubbish, garbage and other refuse from the Rentable Areas of the Building and the Common Areas (excluding any bio-hazardous and radiological wastes generated by Tenant or any Sublessee or Client which Tenant must dispose of at Tenant's sole cost and expense and in compliance with all Governmental Requirements), janitorial services for the Common Areas, service and maintenance agreements for the Common Areas and/or for elevators, HVAC for the Common Areas, Building systems serving exclusively the Premises if contracted for by Landlord, assessments under the Declaration to the extent Tenant, as public-body corporate, is not exempt, and the cost of personnel (including a property manager and employees supervised and reporting to such manager, but not including any employees above the grade of property manager nor any executives, principals, partners, investors or related or affiliated parties of Landlord or the property manager and the salary of such personnel shall be equitably apportioned among other portions of the Project and any other properties which such personnel are responsible for) necessary or convenient to implement the services specified in this Lease, with all customary employment and normal retirement benefits incident thereto, including without limitation, pension and medical and life insurance benefits, and security personnel, if such personnel are employed (Tenant acknowledges that Landlord shall not be required to employ security personnel at the Project). Tenant shall also pay to Landlord a customary and reasonable management fee which shall be paid on a monthly basis concurrently with Tenant's payment of Tenant's Proportionate Share of said Operating Costs. Landlord shall have the right with regard to any and all management and maintenance obligations of Landlord under this Lease, to contract with such person(s) or entity or entities for the performance and accomplishment of such of the obligations as Landlord shall deem proper, including entities in which Landlord may hold an ownership or other interest, so long as not in violation of any Governmental Requirements. In all events, Operating Costs are to be at competitive market rates and are not to exceed those which will be payable generally to an "independent contractor," which term is hereby defined as a person or firm having no direct or indirect financial or other business interest in, or relationship with, Landlord or Landlord's management agent or any of their respective principals, agents, servants, employees, stockholders, officers or directors. No Operating Costs shall be commingled with any other property or building or with those of any other person or entity unless such expenses are bona fide expenses which are incurred in connection with the Project and provided such commingling does not result in greater Operating Costs being allocated to Tenant and that Operating Costs applicable to the Project are susceptible to audit. Operating Costs shall not include any capital expenditures, except for the monthly amortization of capital improvements (or the rentals thereof if the item in question is leased rather than purchased) if the capital improvements are (a) intended by Landlord in good faith to achieve a verifiable expense savings to Tenant, provided that the annual amount included in Operating Costs shall not exceed the annual amount of the

savings achieved, or (b) required to comply with Governmental Requirements not in effect on the Commencement Date of this Lease. The monthly amortization of any given capital improvement shall be the sum of the (i) quotient obtained by dividing the cost of the capital improvement by the number of months of useful life of such improvement based on GAAP plus (ii) interest imputed on the unamortized portion at the Stipulated Rate. Notwithstanding anything to the contrary contained in this Lease, Operating Costs shall not include those costs and expenses set forth in Exhibit "C" attached hereto and made a part hereof.

B. Commencing on the Commencement Date, Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Operating Costs for each year as provided hereafter. Moreover, the costs for services being provided solely for Tenant and/or systems exclusively serving the Premises shall be passed-through to Tenant in their entirety and not based on Tenant's Proportionate Share of the Building.

To provide for current payments of Operating Costs, Tenant shall pay to Landlord, as additional rent, during each calendar year an amount equal to Tenant's Proportionate Share of the Operating Costs, as reasonably estimated by Landlord annually. Such payments shall be made in monthly installments together with the Fixed Monthly Rent, commencing on the first day of the month following the month in which Landlord notified Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Operating Costs.

On or before April 1 of each year, Landlord shall deliver to Tenant a statement (the "**Operating Cost Statement**") certified by Landlord in reasonable detail setting forth the total Operating Costs actually incurred for the preceding calendar year and the method of calculation thereof. If Tenant's Proportionate Share of the actual Operating Costs for the previous year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within thirty (30) days of Landlord's delivery to Tenant of the Operating Cost Statement. If such total exceeds Tenant's Proportionate Share of the actual Operating Costs for such year, then Landlord shall pay Tenant the amount of the credit within thirty (30) days of Landlord's delivery to Tenant of the Operating Cost Statement. The obligations of Tenant and Landlord to make payment adjustment required under this Section shall survive the termination of this Lease.

Tenant's Proportionate Share of Operating Costs in any year during the Term having less than 365 days shall be appropriately prorated.

C. At reasonable times and on reasonable notice (but not more than one (1) time per year; and provided that no default exists under this Lease beyond applicable notice and cure periods), Tenant, at Tenant's expense, shall have the right, within one hundred eighty (180) days following Landlord's delivery to Tenant of the Operating Cost Statement, to audit all of Landlord's (or Landlord's agent's) records pertaining to the preceding year with a third party certified public accountant of its choice (not to include a contingency fee lease auditor). Prior to Tenant making an election to conduct an audit, upon Tenant's request, Landlord will reasonably cooperate with Tenant in order to review the billing in question and the back-up documentation therefor with Tenant and Tenant's employee or representative, in order to explain any questions Tenant may have prior to Tenant electing to conduct the audit. If Tenant elects to audit, then any overbilling discovered in the course of such audit shall be promptly refunded to Tenant within thirty (30) days of Landlord's receipt of a copy of the audit. Landlord shall retain its records regarding Operating Costs for a preceding year for a period of at least one hundred eighty (180) days following Landlord's delivery to Tenant of the Operating Cost Statement with respect to such preceding year (or longer during the pendency of an audit or dispute). The failure of Tenant to elect to examine Landlord's records pertaining to Operating Costs within said one hundred eighty (180) day period shall be deemed to be a waiver of Tenant with respect to such examination or auditing and the acceptance by Tenant of the annual statement for the particular calendar year to which the annual statement relates. Landlord shall cause such records to be made available for such audit or inspection during weekday Normal Business Hours and at such location

in the continental United States where Landlord regularly keeps its books and records, upon ten (10) Business Days' prior notification to Landlord. Such audit shall be done in accordance with GAAP. If, at the conclusion of such audit, should Landlord disagree with the results of Tenant's audit, then Landlord and Tenant shall refer the matter to a mutually acceptable independent certified public accountant, who shall work in good faith with Landlord and Tenant to resolve the discrepancy. The fees and costs of such independent accountant to which such dispute is referred shall be borne by the unsuccessful party and shall be shared pro rata to the extent each party is unsuccessful as determined by such independent certified public account, whose decision shall be final and binding. With regard to Tenant's initial audit, Tenant, its employees or agents, may make copies thereof at Tenant's expense, but such books and records, any copies thereof, and the results of any such audit are to be kept strictly confidential, to the extent permitted by law, and are not to be made available or published to anyone (except for Tenant's attorneys, accountants, lenders, consultants and advisors who have a need to know such information, all of whom shall be informed in writing by Tenant of the confidential nature of the information), unless required by any Governmental Requirements. Landlord shall pay the cost of Tenant's audit if the total amount of Operating Costs used for the calculation of pass-throughs for the year in question exceeded five (5%) percent or more of the total amount of Operating Costs that should properly have been used.

D. This Lease is a completely "triple net" lease to Landlord, except as otherwise expressly herein stated. Landlord is not responsible for any expenses or outlays of any nature arising from or relating to the Premises, the use or occupancy thereof, the contents thereof, or the business carried on therein, except as otherwise expressly herein stated. Tenant shall pay (or reimburse Landlord for) all charges, impositions, and outlays of every nature and kind relating to the Premises except as expressly herein stated.

SECTION 9 – USE OF COMMON AREAS. The use and occupation by Tenant of the Premises shall include the nonexclusive use, in common with others entitled thereto, of the Common Areas including, without limitation, the elevators, stairways, lobbies, waiting areas and other areas for the nonexclusive use of tenants, and agents, employees, customers and invitees of tenants, within the Building as such Common Areas may hereafter be constructed for the benefit of or as a part of the Building, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Lease and the reasonable nondiscriminatory rules and regulations for the use thereof as prescribed from time to time by Landlord. Subject to the terms of this Lease, all Common Areas shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the full right and authority to employ all personnel and to make all reasonable nondiscriminatory rules and regulations as Landlord may in its reasonable discretion deem proper, pertaining to the proper operation and maintenance of the Common Areas. Landlord shall have the right to temporarily close all or any portion of the Common Areas to such extent as may, in the reasonable opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; and to close temporarily any portion thereof in connection with the completion of necessary repairs thereto, and except as otherwise expressly provided herein, Tenant shall not be entitled to any compensation, damages, or diminution or abatement of Rent, nor shall same be deemed a constructive or actual eviction.

SECTION 10 – WASTE OR NUISANCE. Tenant shall not commit or suffer to be committed any waste upon the Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Project.

SECTION 11 – CONSTRUCTION OF LANDLORD'S WORK. Landlord has previously constructed the Base Building ("**Landlord's Work**") but not the Leasehold Improvements.

SECTION 12 – CONDITION OF PREMISES. Tenant acknowledges that Landlord has made no representations or promises as to the condition of the Premises other than as set forth in this Lease, nor shall Landlord be required to construct any alterations or improvements to the Premises, except as expressly set

forth in this Lease..

SECTION 13 – ALTERATIONS. All Alterations by Tenant must be in accordance with the requirements of this Lease. Tenant may, provided Tenant is in compliance with all applicable provisions of this Section 13, make at its sole cost and expense Alterations which are not Material Alterations without the consent of Landlord, provided that Tenant provides Landlord with prior written notice thereof, and Tenant shall be required to obtain Landlord's prior written consent with regard to Material Alterations, which consent shall not be unreasonably withheld or delayed; provided further, however, that in connection with Material Alterations which would (a) in any way affect the exterior of the Premises, or (b) involve significant structural alterations such as penetration all (or substantially all) the way through a floor slab, or alteration of structural columns or structural steel, or (c) materially adversely affect the Building systems or Landlord's costs to maintain, operate or repair same, then Landlord's consent is in Landlord's sole discretion. Before proceeding with any Material Alteration, Tenant shall submit to Landlord for Landlord's approval, the name of the contractor and plans and specifications for the work to be done and Tenant shall not proceed with such work until it obtains Landlord's approval, as provided above. Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and prosecution of the Alterations and for final approval thereof upon completion and shall cause the Alterations to be performed in a good and workmanlike manner in accordance with the requirements of all applicable governmental authorities. All Alterations shall be diligently performed in a good and workmanlike manner, using materials and equipment at least equal in quality and class to the original installations of the Premises. All permanently affixed decorations, additions, improvements or other Alterations to the Premises, except for the Tenant's Property, shall, unless Landlord and Tenant agree otherwise in writing, become the property of Landlord upon the expiration of this Lease, and shall be surrendered with the Premises at the expiration of this Lease. Landlord shall have the right to designate at the time of its approval of any request by Tenant for permission to make Material Alterations to the Premises or following receipt by Tenant of notice of other Alterations to be made by Tenant those items for which Landlord reasonably reserves the right to require Tenant to remove upon the expiration of the Term or sooner termination of this Lease. Any such designation shall be in Landlord's reasonable discretion, based upon sound business judgment as to the probable effect of such Alteration upon Landlord's ability to re-let the Premises upon the expiration or sooner termination of the Term of this Lease. If required by Landlord in accordance with the foregoing, any such Alteration to the Premises shall be removed at Tenant's expense upon the expiration or sooner termination of the Term of this Lease and Tenant, at its expense, shall also repair any damage to the Premises caused by such removal and shall restore the affected portions of the Premises to a tenantable whole, reasonable wear and tear, casualty, condemnation and acts of nature excepted. During the review and approval process for Leasehold Improvement Plans pursuant to the Construction Addendum, Landlord may identify specialized Leasehold Improvements which, if constructed, will be required to be removed by Tenant provided that Landlord shall not require the removal of Leasehold Improvements which are customary for comparable first-class multi-tenant office buildings in Orlando, Florida. However, Tenant shall (unless otherwise directed by Landlord) prior to the end of the Term of this Lease and at Tenant's sole cost and expense, remove all lead or other specialty construction materials used in any radiological vaults, exam or treatment rooms in the Premises through consultants appropriately qualified and licensed to remove and dispose of any such materials and such removal and disposal shall be in compliance with all applicable Governmental Requirements.

SECTION 14 – LIENS. Nothing contained in this Lease shall be construed as a consent on the part of Landlord to subject the estate of Landlord to liability under the Construction Lien Law of the State of Florida, it being expressly understood that Landlord's estate shall not be subject to such liability. To the extent required by law, Tenant shall strictly comply with the Construction Lien law of the State of Florida, as set forth in Chapter 713, Florida Statutes. Notwithstanding the foregoing, Tenant, at its expense, shall cause any lien filed against Tenant's or Landlord's interest under this Lease, the Premises, the Building or the Project Common Areas for work, services or materials contracted by Tenant (other than on account of

Landlord's Work or the Leasehold Improvements Work) to be satisfied or transferred to bond within twenty (20) days after Tenant's receipt of written notice of the filing of such lien. In the event that Tenant fails to satisfy or transfer to bond such claim of lien within said twenty (20) day period, Landlord may do so and thereafter charge Tenant as additional rent, all costs incurred by Landlord in connection with the satisfaction or transfer of such claim, excluding attorneys' fees through all levels of appeals plus interest thereon at the Stipulated Rate. In accordance with applicable laws of the State of Florida, Landlord may file in the public records of Orange County, Florida, a public notice containing a true and correct copy of this paragraph, and Tenant hereby agrees to inform all contractors, and material suppliers performing work in or for or supplying materials to the Premises of the existence of said notice.

SECTION 15 – NEGATIVE COVENANTS. Except as required by law or on a temporary basis in connection with repair or restoration work, Landlord agrees not to make any change, alteration or addition to the Project which would have a material and adverse effect on vehicular access to the parking field of the Building or pedestrian access to the Premises.

SECTION 16 – REPAIRS.

A. Subject to the provisions of Sections 17, 18 and 53 hereof, Landlord will maintain, repair and if necessary replace: (a) the roof, structure, columns, exterior walls and exterior windows, foundation, interior load-bearing walls and demising walls and floors, in good state of repair; (b) the elevators, and all Building systems and facilities including, but not limited to, the Base Building electrical, water, gas, sewer, life safety and mechanical supplied to the Premises (but not including the Premises' HVAC system) in good operating condition, maintenance and repair; and (c) the sidewalks, curbs, driveways, parking areas (including periodic parking lot resurfacing and restriping) and landscaping in good condition and repair, open and free of debris or other obstruction, subject to Project construction and repair activities. Landlord will also maintain, repair and if necessary replace, subject to the provisions of Sections 17, 18 and 53 hereof, the public portions of the Building and Common Areas in clean, sightly, good operating condition and repair as well as any Building systems which penetrate into or pass through the Premises or upon which the Premises are dependent, including bathrooms. All repairs, replacements and restorations made by Landlord shall be equal in quality and class to the originals thereof and shall be completed in compliance with applicable law. Landlord covenants that any repairs or replacements (as the case may be) required by the terms of this Lease to be made by Landlord shall be commenced and completed expeditiously. All repair, resurfacing and replacement obligations of Landlord hereunder with respect to the Project, except as expressly set forth in Exhibit "C" hereto, shall be deemed a component of Operating Costs.

B. Tenant shall not suffer any damage, waste or deterioration to occur to the Premises and shall, at Tenant's expense, maintain the interior non-structural portions of the Premises and the fixtures and appurtenances therein, Tenant's HVAC system serving the Premises, and Tenant's Property, in good and sightly condition, and shall make all reasonable repairs necessary to keep them in good working order and condition (including structural repairs when those are necessitated by the negligence or willful misconduct of Tenant or its agents, employees or invitees) reasonable wear and tear and acts of nature excepted, and subject to the provisions of Sections 17, 18, and 53 hereof. All repairs, replacements and restorations made by Tenant shall be equal in quality and class to the originals thereof and shall be completed in compliance with applicable law. Tenant covenants that any repairs or replacements (as the case may be) required by the terms of this Lease to be made by Tenant shall be commenced and completed expeditiously. The exterior walls of the Building, the windows and the portions of all window sills outside same are not part of the Premises and Landlord hereby reserves all rights to and responsibility for maintaining such parts of the Building (subject to the terms and provisions of this Lease).

C. Landlord agrees that it shall during the Term of this Lease, maintain the Building, the Common Areas and the Project in a safe, good, clean and sightly first-class condition, subject to delay

permitted by Section 53 hereof. Landlord shall be responsible for remedying or repairing any work performed by Landlord at the Premises or the Project to the extent such work was not constructed by Landlord in accordance with all applicable Governmental Requirements in effect as of the date of Substantial Completion.

D. Landlord covenants and agrees to keep, maintain, alter and replace, if necessary, all Common Areas (including, without limitation, access to the Building and Preinises) and structural components of the Building so as to maintain compliance of same with the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq., as amended from time to time, and all rules and regulations promulgated to further the purpose of and to enforce the Act (collectively, the "ADA"), as well as compliant with all applicable fire and life safety laws. The cost of maintaining ADA compliance in the Common Areas with laws effective prior to the Commencement Date shall be at Landlord's expense without reimbursement or contribution by Tenant, and the cost of maintaining ADA compliance in the Common Areas with laws that become effective following the Commencement Date (and supplements or interpretations that become effective following the Commencement Date of laws which were in existence prior to the Commencement Date) or with respect to elements of Common Areas that did not exist prior to the Commencement Date but do exist following the Commencement Date, shall be included as an Operating Cost on an amortized basis based on the useful life of any such capital expenditure. Tenant covenants and agrees, at its expense, to maintain the interior of the Premises in compliance with the ADA.

SECTION 17 – EMINENT DOMAIN.

A. If, after the Effective Date: (i) any portion of the Premises in excess of ten percent (10%) of the Rentable Area of the Premises is taken by eminent domain or conveyed in lieu thereof; or (ii) as a result of a taking by eminent domain or the action of any public or quasi-public authority or a conveyance in lieu thereof, the means of vehicular ingress or egress to and from the Building parking field is permanently materially impaired; then, in any of the foregoing events, the Term shall, at the option of Tenant, cease and terminate as of the day possession shall be taken by the acting governmental or quasi-Governmental Authority (the "**Date of Taking**"). Such option to terminate shall be exercisable by Tenant giving written notice to Landlord on or before thirty (30) days prior to the Date of Taking, which notice shall provide for a termination date (the "**Termination Date**") not later than ninety (90) days after the Date of Taking and Tenant shall pay Rent up to the Termination Date, and Landlord shall refund such Fixed Annual Rent and other payments as shall have been paid in advance and which cover a period subsequent to the Termination Date. In the event Tenant does not terminate this Lease, Landlord shall promptly and diligently restore the Building and the Premises and the Common Areas to as near to their condition prior to such taking or conveyance as is reasonably possible; provided, however, that Landlord is not required to expend more than the net condemnation proceeds received as a result of the taking; and provided further that if Landlord notifies Tenant that the net condemnation proceeds will not be sufficient to restore the Building and the Premises and the Common Areas to as near to their condition prior to such taking or conveyance as is reasonably possible, and Tenant does not elect to pay for the shortfall from Tenant's separate funds, then Tenant may elect to terminate the Lease by written notice to Landlord on or before thirty (30) days after Landlord so notifies Tenant. During the course of such restoration, there shall be a fair and equitable abatement of all Fixed Annual Rent and other charges, taking into account the extent to which Tenant shall be required to close down all or a portion of its operations until restoration has been completed; and, after such restoration, there shall be fair and equitable abatement of Fixed Annual Rent and other charges on a permanent basis, in proportion to the reduction in the size of the Premises. If twenty percent (20%) or more of the Rentable Area in the Building is taken by eminent domain or conveyed in lieu thereof, or the means of vehicular ingress or egress to and from the Project parking field is permanently materially impaired, then Landlord shall have the right to terminate this Lease by giving written notice to Tenant on or before thirty (30) days after the Date of Taking; provided that Landlord also terminates all leases for similarly affected premises within the Building, if any.

B. If any portion of the Premises shall be so taken or conveyed and this Lease is not terminated, then the Term shall cease only with respect to that portion of the Premises so taken or conveyed, as of the Date of Taking, and Tenant shall pay Fixed Annual Rent and all other payments up to that day, with an appropriate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the Date of Taking and, thereafter, the Fixed Annual Rent and all other payments shall be equitably adjusted in proportion to the reduction in the size of the Premises. Landlord shall, at its expense, make all necessary repairs or alterations so as to constitute the remaining portion of the Premises a complete architectural unit (subject to the provisions of subsection A, above).

C. Tenant shall have the right to make any claims allowed by the laws of the State of Florida against the condemning authority, provided that Tenant's award is separate from, and does not diminish or impair, Landlord's award or the award of any mortgagee (including, without limitation, that Tenant may not make any claim for leasehold value that would adversely affect Landlord's award or the award of any mortgagee). In the event that the laws of the State of Florida permit Tenant to make a separate claim for damages against the condemning authority, then, and in such event occurring, Tenant shall not have the right to share in any separate award granted to Landlord if Tenant's claims are granted.

SECTION 18 – DAMAGE AND DESTRUCTION.

A. If during the Term hereof the Premises shall be partially or substantially damaged or destroyed by fire or other casualty (including flood and other water damage) this Lease shall, except as hereinafter provided, remain in full force and effect, and Landlord shall, proceeding with all reasonable dispatch, repair such damage and restore the Premises to substantially their condition at the time of such damage or destruction, but only to the extent of Landlord's original obligation to construct pursuant hereto excluding the Leasehold Improvements, and only to the extent that insurance proceeds (excluding proceeds of business or rental interruption insurance) are available to Landlord in connection with the casualty event after deduction of the reasonable costs of settlement and collection of Landlord. Tenant, at its sole cost and expense, shall fully repair and restore the Leasehold Improvements.

B. However, if the Premises shall be substantially damaged or destroyed by fire, windstorm, or casualty otherwise, (i) within the last twelve (12) months of the Term, and the cost of reconstruction or repair exceeds ten percent (10%) of the replacement cost of the Building, then either party shall have the right to terminate this Lease. Landlord shall notify Tenant of Landlord's good faith estimate of the cost of the reconstruction or repair, and the estimated replacement cost of the Building and estimated time to reconstruct or repair, within sixty (60) days after the date of the damage or destruction ("**Landlord's Repair Estimate**"), and if the termination rights are activated, then either party must elect to terminate by notice thereof given to the other party not later than ten (10) Business Days after Tenant is provided with Landlord's Repair Estimate.

C. If the provisions of Section 18 A shall become applicable, the Fixed Annual Rent and all other charges specified in this Lease shall be abated or equitably reduced proportionately during any period in which, by reason of such damage or destruction, there is material interference with the operation of the business of Tenant in the Premises, having due regard to the extent to which Tenant may be required to discontinue its business in any portion of the Premises, and such abatement or equitable reduction shall continue for the period commencing with such destruction or damage and ending with: (i) the completion by Landlord of such work of repair and/or restoration as Landlord is obligated to do; and (ii) the expiration of a reasonable period of time thereafter to enable Tenant to restore Tenant's Property and reopen for business (which restoration Tenant agrees to do diligently and expeditiously), but said period of time shall be deemed to have ended if Tenant shall reopen for business prior to the expiration thereof. In the event of the termination of this Lease pursuant to this Section 18, this Lease, and the Term hereof, shall cease and come to an end as of the date of such damage or destruction. Any Fixed Annual Rent or other charges paid

in advance by Tenant shall be promptly refunded by Landlord.

D. If any portion of the Building or the Common Areas is either partially or substantially damaged, except as otherwise provided in this Section 18, Landlord shall proceed promptly to rebuild the same (but only to the extent of Landlord's original obligation to construct pursuant hereto excluding the Leasehold Improvements,; and although the preceding phrase is agreed to by the parties, the parties recognize that Landlord will be maintaining full replacement cost insurance). During any period of time that by reason of such damage or destruction there is any material interference with vehicular or pedestrian access to the Building or the Premises, there shall be a fair and equitable abatement of the Fixed Annual Rent, and other charges payable hereunder, taking into account the extent to which Tenant's operations may thereby be materially interfered with; and, if it is impracticable for Tenant to remain open for business and Tenant closes down until such damage or destruction has been repaired, there shall be a full abatement of Fixed Annual Rent and all other charges payable hereunder until Landlord's completion of the restoration work.

E. Notwithstanding anything to the contrary herein contained, if Landlord's Repair Estimate states that such restoration cannot be completed by Landlord within two (2) years from the date of the casualty, then Tenant shall have the right to terminate this Lease by giving written notice of its election to do so to Landlord within ten (10) Business Days after Tenant is provided with Landlord's Repair Estimate. In addition, if this Lease is not terminated pursuant to any termination rights granted hereunder in the event of a casualty, and if Landlord shall not commence, in good faith, repair and restoration work within sixty (60) days after receipt of all required permits to perform the work which Landlord is required to repair pursuant to the terms hereof (subject to extension for the time required to prepare plans for reconstruction, to obtain building permits, to receive distribution of insurance proceeds, and to complete the likely contract bidding process and all other relevant factors, but not to exceed an additional sixty (60) days), then Tenant shall have the right to terminate this Lease by giving written notice of its election to do so to Landlord within ten (10) Business Days after the expiration of such one hundred eighty (180) days (as the same may be extended as set forth herein), unless Landlord so commences within thirty (30) days after Tenant's termination notice, in which event Tenant's termination notice shall be deemed to be void and this Lease shall continue in full force and effect. Moreover, if Landlord shall fail with all due diligence to continue with such repair and restoration work to completion within the time frame set forth in Landlord's Repair Estimate, then Tenant shall have the right to terminate this Lease by giving written notice of its election to do so to Landlord within ten (10) Business Days after the expiration of the time frame set forth in Landlord's Repair Estimate, unless Landlord completes its work within sixty (60) days after Tenant's termination notice, in which event Tenant's termination notice shall be deemed to be void and this Lease shall continue in full force and effect.

F. In addition to any termination rights set forth herein in favor of Landlord, if, within the last twenty four (24) months of the Term, the Building has been damaged or destroyed by fire or other casualty and Landlord's Repair Estimate states that such restoration cannot be completed by Landlord within one (1) year from the date of the casualty or prior to the date one (1) year before the end of the Term, then Landlord shall have the right to terminate this Lease provided that notice thereof is given to Tenant not later than ten (10) Business Days after Tenant is provided with Landlord's Repair Estimate and Landlord elects not to restore the Building and terminates all other leases for space in the Building.

G. If Landlord notifies Tenant that (i) the insurance proceeds available for the restoration of the Building will not be sufficient to restore the Premises to substantially their condition at the time of such damage or destruction (whether due to settlement with the insurer of any disputed coverage or otherwise), and (ii) Landlord will not pay or finance the shortfall in proceeds in order to so restore, then Tenant shall either (A) unconditionally agree in writing to pay the shortfall (which shortfall shall be paid within thirty (30) days after issuance of the building permit for the restoration), or (B) elect to terminate this Lease.

Tenant shall notify Landlord of its decision not later than thirty (30) days after Tenant's receipt of such notice from Landlord, failing which Tenant shall be deemed to have elected to terminate this Lease. If Tenant elects to pay the shortfall, then, to the extent permitted by law, Tenant shall deposit the funds with the entity that will be disbursing the overall available insurance proceeds pursuant to Landlord's mortgage (or if there is no mortgage, then with a nationally recognized title company or other escrow agent reasonably approved by Landlord), to be held in an interest-bearing account. Landlord may access the funds in such account after the available insurance proceeds for the restoration have been depleted and only upon Tenant's written approval by Tenant's authorized official of Landlord's restoration plans, contractor, and all restoration budget, such approval to not be unreasonably withheld, conditioned or delayed. The shortfall proceeds shall be disbursed consistent with the requirements for construction disbursements as contained in Landlord's mortgage (or if there is no mortgage then consistent with the customary requirements for construction disbursements in the industry). Interest earned on the shortfall proceeds shall be for Tenant's benefit.

H. Without limitation, the deadlines for performance set forth in this Section are subject to extension pursuant to Section 53 below.

SECTION 19 – QUIET ENJOYMENT. Landlord covenants and agrees that, upon Tenant's paying on a monthly installment basis the Fixed Annual Rent and any additional rent required hereunder and performing all of the other covenants herein on its part to be performed, Tenant shall and may peaceably and quietly hold and enjoy the Premises without hindrance by Landlord or persons claiming through or under Landlord (including, without limitation, any mortgagee of Landlord), subject to the terms, covenants and conditions of this Lease.

SECTION 20 – RIGHT OF ENTRY. Landlord's right of entry set forth in this Section 20 shall be subject to applicable federal security restriction obligations of Tenant, if any, relative to any portion of the Premises. Upon reasonable prior notice, Landlord and Landlord's agents shall have the right during Normal Business Hours (and at all times in the case of emergency) to enter the Premises, to examine the same, and to show them to prospective purchasers or lenders of the Building. Upon reasonable prior notice (except in the case of an emergency), Landlord and Landlord's agents shall have the right during or outside of Normal Business Hours to enter the Premises to make such repairs, alterations, improvements or additions as required under this Lease or as Landlord may reasonably deem necessary or desirable, and upon reasonable prior notice and reasonable coordination with Tenant, Landlord shall be allowed to take all material into and upon the Premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the Rent reserved shall not abate while said repairs, alterations, improvements, or additions are being made unless Tenant is prevented from operating in the Premises, in which event Fixed Annual Rent and all other charges shall be proportionately abated during said period. Upon reasonable prior notice, during the six (6) months prior to the expiration of the Term of this Lease, Landlord may during Normal Business exhibit the Premises to prospective tenants. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Premises or the Building or any part thereof, except as otherwise herein specifically provided.

SECTION 21 – SERVICES. Landlord covenants that it will furnish to the Premises and Building the following services on all days during the Term:

- A. Water to the floor in which the Premises is located, including all Tenant laboratories.
- B. Fluorescent, incandescent and other bulb replacement in the Common Areas and service areas of the Building.

C. Janitorial services for the Building exterior and Common Areas, Monday through Friday, exclusive of normal business holidays. Tenant, at Tenant's expense, shall provide janitorial services for the Premises with persons or firms engaged by Tenant and the entry for such cleaning personnel entering the Building shall be coordinated with Landlord. Tenant, at its expense, shall be responsible for the replacement of light bulbs and ballasts within the Premises.

D. Security in the form of limited access to the Building during times outside of Normal Business Hours. Landlord shall not be required to supply security personnel to the Project. Tenant shall have access to the Premises twenty four (24) hours per day, three hundred sixty five (365) days per year, subject to reasonable security measures and except for emergency events which cause Landlord to limit access to Tenant.

Tenant (at its expense) may supply security services for the interior of the Premises, subject to specifications to be mutually agreed upon by Landlord and Tenant.

E. Landlord shall make provisions for electricity as set forth in the Base Building Plans described in the Construction Addendum, and as reasonably required for wet laboratories. The electric panels and meters to meet this requirement shall be provided as part of the Leasehold Improvements. Tenant shall pay directly to the local electric utility or to Landlord, the costs for all electric service rendered or furnished to the Premises during the Term, which service shall be separately metered or sub metered into the Premises by Landlord at Landlord's sole expense as part of the Landlord's Work.

F. Trash removal from the Building dumpsters. (Tenant is responsible for trash removal from the Premises to the Building dumpsters.)

G. Electrical lighting service for the Common Areas.

H. Waste water and sewer services, including those necessary for Tenant wet laboratories and restroom, and including City of Orlando approved water discharge monitor. If an Industrial User Discharge Permit (IUDP) is required by the City of Orlando, Landlord will include an easy method of sampling and a dedicated test point so that Tenant's sampling is not comingled with other tenants, and the cost thereof shall be included in the costs of the Leasehold Improvements Work.

I. Roof area and penthouse for location of Tenant's HVAC facilities. (Tenant shall provide and maintain its own HVAC equipment to serve the Premises as a part of the Leasehold Improvements.)

Except as provided below, Landlord's failure to furnish, or the interruption or termination of, the services described in this Section in whole or in part resulting from causes beyond the reasonable control of Landlord, its agents, or employees, shall not render Landlord liable in any respect, shall not be construed as an eviction of Tenant, nor entitle Tenant to any abatement of any Rent under this Lease; provided, however, that Landlord shall use its commercially reasonable efforts diligently and continuously to restore such service in the least amount of time. Any provision to the contrary notwithstanding but subject to the provisions of Sections 17, 18 and 53 hereof, if Landlord fails to provide in any material respect any services to be provided by Landlord pursuant to this Section for a period of three (3) consecutive Business Days after written notice to Landlord by Tenant of the interruption thereof, and if such failure materially and adversely affects Tenant's use and occupancy of the Premises such that Tenant is unable to conduct its normal business operation in the Premises, and provided the correction of the problem is within Landlord's reasonable control, then Tenant shall be entitled to an equitable abatement of Rent for the period during which the above-described situation exists, and Tenant shall be entitled to undertake reasonable efforts and obtain necessary replacement services to facilitate Tenant's continuation or return to normal business operation.

Landlord shall provide its required services in accordance with first-class office buildings in Orlando, Florida. Tenant's janitorial and any other services to the Premises shall be performed in accordance with such services provided in first-class office buildings in Orlando, Florida.

SECTION 22 – SECURITY DEPOSIT. No Security Deposit is required under this Lease.

SECTION 23 – ASSIGNMENT AND SUBLETTING.

A. Tenant may assign, sublease, transfer, or encumber this Lease or any interest therein or grant any license, concession, or other right of occupancy of any portion of the Premises only with Landlord's prior written consent, which shall be given in Landlord's sole discretion. However, Tenant may without Landlord's further consent enter into subleases for a defined and limited portion of the Premises to enrolled clients in Tenant's incubation program ("**Clients**") which comply with the requirements set forth on **Exhibit "H"** attached hereto (the "**Client Sublease Standards**"). Tenant will provide Landlord a roster of enrolled Clients in Tenant's incubation program and copies of all Client subleases in effect upon request of Landlord from time to time. Any attempted assignment or sublease by Tenant in violation of the terms and covenants of this Section 23 shall be void ab initio. If Tenant is a corporation or a partnership, the conveyance of a direct or indirect, by operation of law or otherwise, controlling interest in the corporate stock or the assignment of a controlling partnership interest, as the case may be, shall be deemed an assignment for the purposes hereof. Tenant may, however, assign its interest in this Lease to any entity (i) which acquires all of the assets of the original Tenant under this Lease, (ii) into which the original Tenant is merged, (iii) which owns and controls Tenant, or (iv) which is owned and controlled by Tenant. The original Tenant shall remain obligated under this Lease after any assignment permitted by the immediately preceding sentence. Irrespective of any valid sublease issued by Tenant, all obligations of Tenant under this Lease shall nevertheless remain the obligations of Tenant hereunder, and Tenant shall remain, relative to Landlord, the responsible party for satisfaction of such obligations.

B. Any approved or permitted transfer shall be expressly subject to the terms and conditions of this Lease. In the event of an assignment or subletting approved under this Lease, except as expressly provided herein Tenant shall remain fully responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. Tenant agrees to promptly provide Landlord with such reasonable information regarding such proposed assignee or Subtenant as is requested by Landlord, as well as with plans and specifications regarding any proposed alterations of the Premises which will be required in connection with such assignment or subletting. In no event shall any sublease or assignment be made or allowed which would (x) in any way violate any exclusive use provisions granted to or any prohibitions of certain uses agreed to by Landlord with any other tenants or occupants of the Building; or (y) in Landlord's judgment, cause physical harm to the Building or harm to the reputation of the Building which would result in an impairment of Landlord's ability to lease space in the Building or a diminution in the rental value of space in the Building. Any assignment or sublease shall comply with all applicable Governmental Requirements. If Landlord consents to any assignment or subletting, with the exception of subleases for a defined and limited subportion of the Premises to enrolled Clients in Tenant's incubation program such successor/Subtenant shall assume in writing, in a form reasonably satisfactory to Landlord, all of Tenant's obligations hereunder. Consent by Landlord to any one or more assignments or sublettings shall not be a waiver of Landlord's rights as to any subsequent assignments or sublettings. Except as necessary for the routine operation of the Tenant's incubation program, Tenant shall not publicly advertise the rate for which Tenant is willing to sublet the Premises and all public advertisements of the assignment of the Lease or sublet of the Premises, or any portion thereof, shall be subject to prior approval in writing by Landlord.

C. If Tenant requests Landlord's consent to an assignment of the Lease or subletting of all or part of the Premises (other than subleases of a portion of the Premises to Clients), Landlord shall either: (i)

approve or disapprove such sublease or assignment (but no approval of an assignment or sublease shall relieve Tenant of any liability hereunder); (ii) at the request of Tenant, negotiate directly with the proposed Subtenant or assignee and, in the event Landlord is able to reach agreement with such proposed Tenant, upon execution of a lease with such tenant, terminate this Lease (in part or in whole, as appropriate) upon thirty (30) days' notice; or (iii) if Landlord should fail to notify Tenant in writing of its decision within a thirty (30) day period after Landlord is notified in writing of the proposed assignment or sublease, Landlord shall be deemed to have refused to consent to such assignment or subleasing, and to have elected to keep this Lease in full force and effect.

SECTION 24 – DEFAULT.

A. Tenant's Default. (i) If Tenant shall default in the payment of the Fixed Annual Rent, any additional rent or any other sums payable by Tenant herein when due, and such default shall continue for a period of ten (10) days after Tenant's receipt of written notice (but the foregoing shall not be deemed to amend or modify Section 5C or Section 48 regarding Landlord's right to assess late charges and/or interest as provided therein), or (ii) if Tenant shall fail to maintain the insurance coverages required to be maintained by Tenant pursuant to Section 26 of this Lease and said failure shall continue for more than ten (10) Business Days after Tenant's receipt of written notice thereof, or (iii) if Tenant shall default in the performance of any nonmonetary covenant or agreement of this Lease (except as described in subsection (ii) hereinabove) and said default shall continue for more than thirty (30) days after Tenant's receipt of written notice thereof, or in the event that the default is of such a nature as cannot with diligent effort be cured within said thirty (30) day period, if Tenant shall not commence to cure within said period and diligently prosecute remedial efforts to completion within a reasonable time thereafter, or (iv) if Tenant should become bankrupt or insolvent or any debtor proceedings be taken by or against Tenant (provided, if same shall be involuntary on the part of Tenant, the event in question shall not be deemed a default within the meaning of this Lease if dismissed or vacated by Tenant within sixty (60) days of the filing thereof), or (v) if Tenant shall assign this Lease in whole or in part or sublet all or any portion of the Premises in violation of Section 23 hereof and the transaction that violates Section 23 is not rescinded and made void ab initio within five (5) Business Days after Tenant's receipt of written notice thereof, then and in addition to any and all other legal remedies and rights available to Landlord at law or in equity, Landlord may immediately or at any time thereafter enter into and upon the Premises or any part thereof and repossess the same as of its former estate, and expel Tenant, and those claiming through or under it, and remove its or their effects without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of Rent or preceding breach of covenant Tenant covenants and agrees, notwithstanding any entry or reentry by Landlord, whether by summary proceedings, termination of this Lease except as specified in Section 3 B. or unless Landlord has expressly elected in writing to terminate this Lease for Landlord's account), termination of Tenant's right to possession (without terminating this Lease), or otherwise, to pay and be liable for on the days originally fixed herein for the payment thereof, amounts equal to the several installments of Rent and other charges reserved as they would, under the terms of this Lease, become due if this Lease and/or Tenant's right to possession had not been terminated, or if Landlord had not entered or reentered as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for the remainder of the Term or a period less than the remainder of the Term; but in the event the Premises is relet by Landlord, Tenant shall be entitled to a credit against its Rent obligations hereunder in the amount of the rents and other sums received by Landlord from any such reletting of the Premises less any reasonable costs incurred by Landlord (not previously reimbursed by Tenant) in connection with the repossessing of the Premises, including, without limitation, brokerage commissions and any costs of repairs or alterations. Landlord shall not, in any event, be required to pay Tenant any surplus of any sums received by Landlord on a reletting of said Premises in excess of the Rent provided in this Lease. In no event shall Tenant's obligations hereunder exceed the amount of any such obligation that would have existed if the Premises had remained vacant and had not been relet, but the foregoing does not waive Landlord's right to damages arising out of Tenant's default. In the event of

termination of Tenant's right of possession to the Premises by Landlord as aforesaid, Landlord shall use reasonable efforts to relet the Premises at a fair market rental or as near thereto as is then possible under all circumstances then existing so as to mitigate the damages suffered by Landlord and payable by Tenant, provided that nothing herein shall be deemed to limit or impair Landlord's rights to (a) grant to any such tenant concessions of rent as may be commercially reasonable and Landlord may deem advisable in its sole and absolute discretion, (b) agree to paint or make any special repairs, alterations and decorations for any such tenant as it may deem advisable in its sole and absolute discretion, or (c) relet all or any portion of the Premises for a term which may be greater or lesser than the unexpired Term, as Landlord may deem advisable in its sole and absolute discretion.

B. If any event of default (after expiration of applicable notice and grace periods) occurs, and in addition, after expiration of a forty-five (45) day cure period beginning upon the date of certified mail receipt of a notice of intent to accelerate by Tenant's General Counsel, delivered to the address stated in Section 1, Article 20 (which forty-five (45) day period shall commence upon the date of Landlord's first notice to Tenant of such event of default), and upon Tenant's failure to cure, Landlord, in addition to other rights and remedies it may have, shall have the right to accelerate the Rent hereunder for what would have been the following remaining period of the Term (had the Lease and/or Tenant's right to possession not been terminated) and Tenant shall pay Landlord damages in the amount of any and all sums which would have been due for such following year, reduced to present value based on a discount rate equal to the per annum yield for United States Treasury securities issued on the date of the default and maturing on the date closest to the original ending date of the Term. Payment of such accelerated Rent shall be paid by Tenant within ten (10) Business Days after written demand by Landlord. Landlord and Tenant agree that they will endeavor to settle any claim for any and all sums arising out of or relating to this Lease, which they are unable to settle through direct negotiations, by non-binding mediation before resorting to litigation, or other dispute resolution procedure. The mediator shall be selected by mutual agreement of the parties and the mediation location shall be in Orange County, Florida. The mediation procedure shall be determined by the Mediator in consultation with the parties utilizing the American Arbitration Associate Rules. The parties shall bear their own costs of mediation except that the fees and expenses of the Mediator shall be shared equally by the parties. The parties further agree that their respective good faith participation in mediation is a condition precedent to pursuing any other available remedies, at law or in equity.

C. If any event of default (after expiration of applicable notice and grace periods) occurs, Landlord, in addition to other rights and remedies it may have, shall have the right to remove all or any part of Tenant's property from the Premises and any property removed, with reasonable care, may be stored in any public warehouse or elsewhere at the cost of, and for the account of Tenant, and provided Landlord uses reasonable care Landlord shall not be responsible for the care or safekeeping thereof whether in transport, storage or otherwise, and Tenant hereby waives any and all claim against Landlord for loss, destruction and/or damage or injury which may be occasioned by any of the aforesaid acts, except to the extent caused by the gross negligence (whether active or passive) or willful misconduct of Landlord, its agents or employees. Landlord shall make a good faith effort to communicate with Tenant prior to any such removal in order to obtain recommendations from Tenant regarding the appropriate manner of any such removal and storage considering the type of items to be so relocated.

D. Reentry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. Notwithstanding any such reletting without termination, Landlord may at all times thereafter elect to terminate this Lease for such previous default. Any such reentry shall be allowed by Tenant without hindrance, and Landlord shall not be liable in damages for any such reentry, or guilty of trespass or forcible entry.

E. In the event of a breach or threatened breach of any covenant of this Lease by the other,

Landlord and Tenant shall each have the right to apply for an injunction.

F. If Tenant shall default in the performance of any provision of this Lease on Tenant's part to be performed, Landlord may, after the expiration of applicable notice and cure periods, perform the same for the account of Tenant and Tenant shall promptly reimburse Landlord for any reasonable expense incurred therefor plus interest thereon at the Stipulated Rate, which expenses shall be deemed to be additional rent.

Upon any event of default (after expiration of applicable notice and grace periods) by Tenant, Tenant, shall be liable to Landlord for the expenses to which Landlord may be put in reentering the Premises; repossessing the Premises; painting, altering, or dividing the Premises; combining the Premises with an adjacent space for any new tenant; putting the Premises in proper repair; reletting the Premises (including marshal's fees, and brokerage fees, in so doing); and any other expenses reasonably incurred by Landlord.

G. The rights and remedies of Landlord and Tenant set forth herein shall be in addition to any other right and remedy now and hereinafter provided by law and in equity. All rights and remedies shall be cumulative and non-exclusive of each other. No delay or omission by Landlord or Tenant in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to, a default.

H. Landlord's Default. If Landlord shall violate, neglect or fail to perform or observe any of the representations, covenants, provisions, or conditions contained in this Lease on its part to be performed or observed, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant specifying such default (ten (10) days after notice in the case of a monetary default), or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (provided Landlord must have undertaken procedures to cure the default within such thirty (30) day period and thereafter diligently pursues such efforts to cure to completion within a reasonable time thereafter), Tenant may, at its option, incur any reasonable expense necessary to perform the obligation of Landlord specified in such notice and bill Landlord for the costs thereof. However, Tenant may only perform such curative efforts within the Premises, and may not perform any such cures elsewhere in the Building or in the Project unless necessary for Tenant to continue normal business operations.

SECTION 25 – LEGAL EXPENSES. Intentionally Deleted.

SECTION 26 – INSURANCE.

1. Tenant hereby assumes responsibility for the condition of the Premises subsequent to Commencement Date, and agrees to give Landlord written notice in the event of any damage, defect or disrepair therein. Tenant shall be responsible for the safety and security of Tenant's employees upon or about the Premises. Tenant, as a material part of the consideration to Landlord hereby assumes all risk of damage to property or injury to person in, upon or about the Premises, except to any extent arising from Landlord's negligence or willful misconduct. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Premises.

2. Tenant shall, throughout the Term, at its sole cost and expense, provide and keep in force, with (i) responsible insurance companies reasonably acceptable to Landlord or (ii) the State of Florida, in respect to this Lease and the Premises: (a) comprehensive general public liability insurance with limits for property damage claims and personal injury or death consistent with the amount provided to Tenant by the State of Florida Department of Risk Management or under the University of Central Florida self-insurance program; and (b) casualty insurance (special form) covering all of the Leasehold Improvements and insuring Tenant against loss or damage to its equipment and other personal property in the Premises by fire

and all other casualties in an amount equal to their full replacement value. In addition, Tenant shall carry insurance coverage in type reasonably acceptable to Landlord and in amounts at least as high as required above for the commercial general liability and property damage coverage, to protect Landlord and Tenant from any claims for personal injury, death or property damage that may result from Tenant's use and operation of any imaging or other equipment that utilizes radioactive materials within the Premises. Tenant shall furnish Landlord with proof of all such insurance at least annually and upon demand of Landlord. The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace Tenant's Work, Leasehold Improvements and betterments made by Tenant, the personal property, trade fixtures and equipment so insured.

3. The coverage of insurance required to be maintained by Tenant hereunder shall be through the State of Florida and Tenant agrees to deliver to Landlord a certificate of such coverage upon request.

4. Tenant at its expense shall comply with all requirements of the Board of Fire Underwriters, or any other similar body affecting the use of the Premises, and shall not use the Premises in a manner which shall increase the rate of fire insurance or other insurance of Landlord or of any other tenant, over that in effect as of the Commencement Date of this Lease. If Tenant's use of the Premises increases the fire insurance rate or results in other increases in insurance coverage related to the Building, Tenant shall reimburse Landlord for all such increased costs (provided that such reimbursement shall be equitably apportioned to the extent uses by other tenants in the Building are also responsible for such increases).

5. Landlord shall, at its expense (as part of the Operating Costs), at all times during the Term hereof, maintain or cause to be maintained in effect coverage under a policy or policies of special form property insurance covering the Building (excluding the Leasehold Improvements), in an amount not less than Landlord's good faith estimate of one hundred percent (100%) of the full replacement value (exclusive of the costs of excavations, foundations and footings) from time to time during the Term of this Lease, together with rent loss insurance and insurance against sprinkler damage, vandalism, malicious mischief and flood (if located within a designated flood zone). Such property insurance may also include loss of rent insurance for all or part of the Building in amounts and with property insurance deductibles in the amount of the greater of (i) Two Hundred Fifty Thousand Dollars (\$250,000.00) and (ii) such deductible as Landlord may determine in its good faith discretion based on deductibles that would be carried by an institutional owner of a comparable office building in Orlando, Florida (and recognizing that portions of the property insurance may have higher deductibles, such as windstorm coverage).

6. Landlord shall, at its expense (as part of the Operating Costs), at all times during the Term hereof, carry commercial general public liability and property damage insurance against claims for injury to persons and property occurring in the Common Areas, naming Tenant as an additional insured, such insurance to be in the combined single limit of not less than Five Million Dollars (\$5,000,000.00).

7. Notwithstanding anything to the contrary contained with this Section 26, either party's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by such party; provided, however, that the coverage afforded Landlord and Tenant will not be reduced or diminished by reason of the use of such blanket policy of insurance, and provided further that the requirements set forth herein are otherwise satisfied (including, without limitation, that Tenant shall provide Landlord with reasonably satisfactory evidence that (i) Landlord and its property management company (if any) are an additional insured under such blanket policy with respect to commercial liability insurance, (ii) such blanket policy (or the Certificate of Insurance delivered to Landlord in connection with the blanket policy) expressly references the Premises, and (iii) such blanket policy (or the Certificate of Insurance delivered to Landlord in connection with the blanket policy) contains a guaranteed amount of insurance for the Premises, which guaranteed amount shall equal the amounts of coverage required under this Lease). Landlord and Tenant agree to permit the other

at all reasonable times to inspect the policies of insurance of Landlord and Tenant covering risks upon the Premises or the Building for which policies or copies thereof are not required to be delivered to the other.

8. Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant each hereby waives on behalf of itself and its insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action, against the other, or the other's directors, shareholders, partners, members, joint venturers, agents, officers, or employees, for any loss or damage that may occur to the Premises, the Building, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other causes which are, or could or should be insured against under the terms of the standard property insurance policies referred to in this Lease, regardless of whether such insurance is actually maintained and regardless of the cause or origin of the damage involved, including negligence of the other party hereto, its directors, shareholders, partners, members, joint venturers, agents, officers, or employees. Landlord and Tenant shall cause each of their respective property insurance policies hereunder to contain, or be endorsed with, a provision by which the insurer shall waive its right of subrogation against the other party hereto.

SECTION 27 – INTENTIONALLY DELETED.

SECTION 28 – LOSS AND DAMAGE. Landlord shall not be liable for any damage (other than damage caused by Landlord's negligence or willful misconduct) to any property of Tenant or of others located in the Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise caused by other tenants or persons or occupants in the Building, or of adjacent property or the public. Except as provided herein, all property of Tenant kept or stored in the Premises shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord and Landlord Indemnitees harmless from any and all claims (other than claims arising from Landlord's negligence or willful misconduct) arising out of damage to same, including subrogation claims by Tenant's insurance carriers to the extent.

SECTION 29 – END OF TERM. Tenant shall surrender the Premises to Landlord at the expiration or sooner termination of this Lease in good order and condition, except for reasonable wear and tear, casualty, condemnation and acts of nature. Tenant agrees that if Tenant remains in possession of the Premises after the date of the expiration or sooner termination of this Lease without the consent of Landlord, there shall be no tacit renewal of this Lease or the Term, Tenant shall be deemed to be in default, and Tenant shall be deemed to be occupying the Premises as a holdover tenant at sufferance. During the holdover, the monthly Fixed Annual Rent, payable in advance on the first day of each month during such holdover, shall be equal to (a) 125% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for the first sixty (60) days of the holdover, and (b) 150% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for the next sixty (60) days of the holdover, and (c) 200% of the monthly amount of Fixed Annual Rent payable during the last month of the Term for entire remaining period of the holdover, and such holdover shall otherwise upon the same terms as are set forth in this Lease, so far as they are applicable to a tenancy at sufferance. The aforesaid provision of this Section shall survive the expiration or sooner termination of this Lease.

SECTION 30 – SIGNS.

A. Should Landlord in its sole discretion choose to construct a monument sign serving tenants in the Building, and further subject to Tenant's compliance with all applicable Governmental Requirements, and the terms hereof, Tenant, at its expense, shall also have the right to locate a panel on the Project monument sign containing Tenant's name and logo in first-class material) (the "**Monument Panel**"). Landlord's construction of the monument sign, and Tenant's use of the Monument Panel, are both subject to the approval of same by the City of Orlando. The location, size, shape, color, content, and manner of installation of the Monument Panel shall first be approved by Landlord, which approval will not be

unreasonably withheld or delayed. If Tenant elects to utilize the Monument Panel, then Tenant, at Tenant's expense, shall exercise due diligence to apply for and obtain all permits and licenses required in connection with the Monument Panel. Upon receipt of delivery of the Monument Panel Landlord install same, and Tenant shall reimburse Landlord for the reasonable cost of such installation. Landlord, at Tenant's expense, will cooperate with Tenant in the obtaining of such permits and licenses, but Landlord makes no representation or warranty that applicable Governmental Requirements will permit Tenant to install the Monument Panel.

B. The Monument Panel may only use the words "UCF" or "University of Central Florida" and the UCF logo, or another name and logo approved by Landlord, which approval will not be unreasonably withheld or delayed, but which may include considerations as to the reputation and value of the Building.

C. Tenant shall be permitted to display signage at the entry to its Premises as approved by Landlord (not to be unreasonably withheld or delayed), and Landlord (at Tenant's expense) shall provide Tenant with directory signage in the lobby of the Building. Landlord's approval is not required for any signage of Tenant wholly within the Premises, so long as such signage cannot be seen from the Common Areas or from anywhere outside of the Premises.

D. Except as otherwise set forth herein, Tenant shall not place any signs or other advertising matter or material on the exterior of the Building or anywhere upon the Common Areas. The foregoing is not intended to limit any signage that Landlord may be required to display pursuant to Governmental Requirements or pursuant to agreements with other tenants of the Building.

E. The Monument Panel shall be maintained and repaired by Landlord, and Tenant shall reimburse Landlord for the full cost thereof. The Monument Panel shall be removed by Tenant at the expiration or earlier termination of this Lease, and Tenant shall repair all damage caused thereby, all at Tenant's sole expense.

F. Should Tenant fail to deliver the Monument Panel to Landlord in suitable condition for installation prior to the date ninety (90) days after the Commencement Date then Tenant's right to utilize a Monument Panel (as applicable) under this Section 30 shall automatically terminate.

SECTION 31 – NOTICES. All notices, demands, requests, consents, approvals or other communications in this Lease provided or permitted to be given, made or sent by either party hereto to the other shall be in writing (whether or not so stated elsewhere in this Lease) and shall be deemed to have been duly given on the second (2nd) business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth in Section 1 hereof. Notwithstanding the foregoing, any of such notices, demands or other communications to be made pursuant to this Lease may be sent by hand delivery or by a national overnight carrier service (e.g. Federal Express) but shall only be deemed given when received (or when delivery thereof is refused, as the case may be). The address to which any notice, demand or other writing may be given, made or sent to either party may be changed by ten (10) days prior written notice given by such party as above provided. Any notice or other communication given in the manner provided above by counsel for either party shall be deemed to be notice or such other communication from the party represented by such counsel.

SECTION 32 – LANDLORD'S REPRESENTATIONS. Landlord, in order to induce Tenant to enter into this Lease, hereby represents that, as of the Effective Date:

A. Landlord has no actual knowledge of the unlawful presence of any Hazardous Substance on or about the Building Land. Landlord covenants to cooperate with Tenant, at Tenant's expense, in order

for Tenant to obtain (at Tenant's expense) a reliance letter from Landlord's environmental consultant in connection with any Phase I environmental report related solely to the Building Land obtained or to-be-obtained by Landlord, if any.

B. Landlord is sole owner of the Project and has full power and authority to conduct its business as presently conducted and to enter into this Lease, and that this Lease has been duly authorized, executed and delivered by Landlord and constitutes a legal and binding obligation of Landlord, subject to the terms hereof.

C. The execution, delivery and performance of this Lease will not conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions or provisions of any indenture, mortgage, bank loan, credit agreement, deed of trust, instrument, document, land use document, agreement or contract of any kind or nature to which Landlord is a party or by which Landlord may be bound.

D. To Landlord's actual knowledge, no litigation or proceedings (or threatened litigation or proceeding or basis therefor) exists which could materially and adversely affect the ability of Landlord to perform its obligations under this Lease or which would constitute a default on the part of Landlord under this Lease, or which would constitute such a default with the giving of notice or lapse of time, or both, subject to the terms hereof.

E. Landlord has no actual knowledge of any pending or threatened condemnation or similar proceeding affecting the Building Land or any portion thereof.

F. The Project is (or prior to the Commencement Date will be) zoned to permit the Use and the use and operation of the Premises for general office use (subject to the terms of the Declaration) and there is not any survey or title matter which prohibits or restricts the use and operation of the Premises for the Use or for general office use. Notwithstanding the above representations, Landlord does not represent or warrant that the Project is zoned for the Use and Tenant hereby acknowledges that it was and shall continue to be Tenant's obligation to confirm that the applicable zoning and other land use regulations applicable to the Project are sufficient and appropriate for Tenant's intended uses of the Premises.

G. Pursuant to requirements of UCF-7.209(5)(d), Landlord provides herewith the following Full Disclosure Statement of Ownership:

The Landlord entity is Lake Nona Innovation Center I, LLC. The 100% owner of that entity is Tavistock Asset Management, LLC (TAM). The ultimate beneficial owner of TAM is Mr. Joe Lewis. There are no public officials, agents, or employees of Tenant holding any interest in the Building or in Landlord.

Additionally, pursuant to UCF-7.214, Landlord further understands and agrees that upon renewal or modification of this lease, when requested by Tenant, this Full Disclosure Statement of Ownership shall either (1) be updated, or (2) if no change in the interest held or individuals concerned has occurred, be accompanied by a lessor's affidavit that the previous Disclosure Statement submitted at execution of this Lease is still valid.

As used herein, the reference to "Landlord's knowledge", "Landlord's actual knowledge" or other such references to the knowledge of Landlord shall be deemed to mean the actual knowledge, without investigation or inquiry of James L. Zboril and Scott I. Peek, Jr. (the "**Designated Landlord Knowledge Parties**") and shall not be construed, by imputation or otherwise, to refer to the knowledge of any other officer, agent, manager, representative or employee of Landlord, or to impose upon the Designated Landlord Knowledge Parties any duty to investigate the matter to which such actual knowledge, or the

absence thereof, pertains. There shall be no personal liability on the part of the Designated Landlord Knowledge Parties arising out of this Lease or any of Landlord's representations and warranties.

SECTION 33 – NON-WAIVER. No waiver of any covenant or condition of this Lease by either party shall be deemed to imply or constitute a further waiver of the same covenant or condition or of any other covenant or condition of this Lease. Any such waiver must be in writing and signed by the party granting the waiver. Except as expressly set forth in this Lease, no act or omission of Landlord or its agents shall constitute an actual or constructive eviction, unless Landlord shall have first received written notice of Tenant's claim and shall have had a reasonable opportunity to remedy such claim. Except as expressly set forth in this Lease, no act or omission of Tenant or its agents shall constitute an actual or constructive breach, unless Tenant shall have first received written notice of Landlord's claim and shall have had a reasonable opportunity to remedy such claim to the extent such notice and cure period is expressly provided in this Lease.

SECTION 34 – SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT.

A. This Lease and all rights of Tenant shall be subject and subordinate to any and all mortgages, security agreements, or like instruments resulting from any financing, refinancing, or collateral financing (including renewals or extensions thereof), and to any and all ground leases, made or arranged by Landlord of its interests in all or any part of the Building or the Project, from time to time in existence against the Building or the Project, whether now existing or hereafter created. Such subordination shall not require any further instrument to evidence such subordination. However, on request, Tenant shall further evidence its agreement to subordinate this Lease and its rights under this Lease to any and all documents and to all advances made under such documents. The form of such subordination shall be made as required by Landlord, its lender, or ground lessor. Tenant shall promptly on request attorn to any mortgagee, or to the future owner(s) of the Building or the Project, or the purchaser at any foreclosure or sale under proceedings taken under any mortgage, security agreement, like instrument, or ground lease, and shall recognize such mortgagee, owner, or purchaser as Landlord under this Lease.

B. Upon request of Tenant, and at Landlord's sole cost and expense, Landlord shall endeavor to obtain and deliver to Tenant from any present or future mortgagee (collectively, the "**Mortgagee**") such Mortgagee's customary and reasonable form of written subordination, non-disturbance and attornment agreement in recordable form providing, among other things, that so long as Tenant performs all of the terms, covenants and conditions of this Lease and agrees to attorn to the Mortgagee, on such customary terms and conditions as such Mortgagee may reasonably require, Tenant's rights under this Lease shall not be disturbed and shall remain in full force and effect for the Term, and Tenant shall not be joined by the Mortgagee in any action or proceeding to foreclose thereunder.

SECTION 35 – ESTOPPEL CERTIFICATES; FINANCIAL STATEMENTS.

A. Landlord and Tenant agree at any time and from time to time, upon not less than fifteen (15) days' prior written request by either of them to the other, to execute, acknowledge and deliver to the requesting party a statement in writing certifying that: this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and stating the modifications); the amount of the Fixed Annual Rent and the additional rent then being paid and the dates to which same have been paid; the space being occupied by Tenant; whether or not, to the best of the certifying party's knowledge, there is any existing or alleged default by either party with respect to which a notice of default has been served, or any facts which, with the passing of time or the giving of notice or both, would constitute a default and, if there is any such default or facts, specifying the nature and the extent thereof; and such other factual information pertaining to this Lease as may be reasonably requested by the requesting party, it being intended that any such statement delivered pursuant to this Section 35 may be

relied upon by Landlord, any prospective purchaser of the fee, or leasehold, or any mortgagee or assignee of any mortgage upon the fee or leasehold interest in the Premises (whether prospective or existing), or by any Tenant, assignee, Subtenant or lender of Tenant (whether prospective or existing).

B. Within thirty (30) days after written request from Landlord, Tenant shall deliver to Landlord a copy of the most recently prepared financial statements of Tenant, prepared by an independent certified public accountant in accordance with GAAP, and if such financial statements are not available for at least the previous calendar year (from the year in which the statements are being requested), then Tenant shall have such financial statements prepared by an independent certified public accountant in accordance with GAAP. At the time of Tenant's delivery to Landlord of any such financial statements, Tenant shall be deemed to represent and warrant to Landlord that, to the best of Tenant's knowledge, each such financial statement is a true and accurate statement in all material respects as of the date of such statement. All financial statements shall be confidential to the extent permitted by law (except Landlord may disclose such financial statements to Landlord's attorneys, accountants, lenders, prospective purchasers, consultants and advisors who have a need to know such information, all of whom shall be informed in writing by Landlord of the confidential nature of the information). Tenant shall not have any obligation to furnish the financial statements set forth above if Tenant is then a public body corporate of the State of Florida or a publicly traded company on a stock exchange which is subject to regulation by the Securities and Exchange Commission.

SECTION 36 – RELOCATION. Landlord reserves the right to relocate the Premises to other space within the Building by giving Tenant prior notice of such intention to relocate. If within one (1) month after receipt of such notice Tenant has not agreed with Landlord on the space to which the Premises are to be relocated, the timing of such relocation, and the terms of such relocation, then Tenant shall have the right to terminate this Lease with no further obligation provided that with Tenant's notice of termination Tenant pays to Landlord any unamortized portion of the Additional Allowance described in Section 2.4 of **Exhibit "D"**. If Tenant should agree to relocate, Landlord agrees to pay the reasonable cost of moving Tenant to such other space and finishing such space to a condition comparable to the then condition of the Premises. Tenant shall arrange for the relocation of the Premises within sixty (60) days after a comparable space is agreed upon or selected by Landlord, as the case may be. In the event Tenant fails to arrange for said relocation within the sixty (60) day period, Landlord shall have the right to arrange for the relocation of the Premises at Landlord's expense, all of which shall be performed in a manner designed to minimize unreasonable interference with Tenant's business.

SECTION 37 – RULES AND REGULATIONS. Subject to the last sentence of this Section 37, Tenant agrees to fully comply with all current rules and regulations as set forth in or provide for under the Declaration and also as set forth in **Exhibit "E"** attached hereto and by this reference incorporated herein ("**Rules and Regulations**"). Landlord shall have the right from time to time to prescribe additional reasonable uniform rules and regulations, which in its judgment, may be desirable for the use, entry, operation and management of the Building and the Project, each of which additional rules and regulations shall, upon Tenant's receipt of written notice thereof, be deemed incorporated herein and made a part hereof by this reference. The Rules and Regulations shall not be applied in a discriminatory manner to Tenant, nor shall any of the Rules and Regulations be inconsistent with the rights of Tenant under this Lease.

SECTION 38 – BROKER. Landlord and Tenant hereby represent and warrant, each to the other, that they have not disclosed this Lease or the subject matter hereof to, and have not otherwise dealt with, any broker, finder or any other person, firm, corporation or other legal entity so as to create any legal right or claim of whatsoever kind or nature for a commission or similar fee or compensation with respect to the Premises or this Lease. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

SECTION 39 – DECLARATION. The Building and the Premises are subject to that certain Master

Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community as recorded May 16, 2007 in Official Records Book 9262, Page 2354, as amended by that certain First Amendment to Master Declaration of Covenants, Conditions, and Restrictions for Lake Nona South (Non-Residential) Community, recorded March 3, 2008 in Official Records Book 9614, Page 392, as further amended by that certain Second Amendment to Master Declaration of Covenants, Conditions, and Restrictions for Lake Nona South (Non-Residential) Community, recorded June 17, 2008 in Official Records Book 9713, Page 5676, as further amended by that certain Third Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded November 6, 2008 in Official Records Book 9786, Page 1942, as assigned by that certain Assignment and Assumption of Declarant's Rights and Obligations, recorded April 8, 2009 in Official Records Book 9855, Page 5702, as further amended by that certain Fourth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded November 3, 2009 in Official Records Book 9957, Page 2681, as further amended by that certain Fifth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded December 22, 2010 in Official Records Book 10150, Page 4154, as further amended by that certain Sixth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded May 9, 2011 in Official Records Book 10211, Page 4081, as assigned by that certain Assignment and Assumption of Declarant's Rights and Obligations, recorded January 27, 2012, in Official Records Book 10323, Page 7525, as further amended by that certain Seventh Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded November 15, 2012 in Official Records Book 10474, Page 9309, as further amended by that certain Eighth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded December 28, 2012 in Official Records Book 10496, Page 6517, as further amended by that certain Ninth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded August 5, 2013 in Official Records Book 10613, Page 5218, as further amended by that certain Tenth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Lake Nona South (Non-Residential) Community, recorded October 31, 2014 in Official Records Book 10828, Page 7540, recorded in the Public Records of Orange County, Florida, as such is further amended from time to time (the "Declaration"). This Lease and Tenant's rights hereunder are expressly subject to the Declaration and all other matters of record affecting the Leased Premises. Tenant agrees to comply with the provisions of the Declaration.

SECTION 40 – PARKING. As long as this Lease is in full force and effect, Landlord will provide (or will cause the operator of the parking field located at the Project to provide) Tenant during the Term, at no additional consideration, access to and non-exclusive use of the surface parking facilities located at the Project by Tenant, its employees, invitees and guests. Tenant's use of the parking spaces in the Project parking field shall be subject to the terms and provisions of Exhibit "F" attached hereto and made a part hereof. At no time during the Term shall Tenant's actual use of the parking field exceed a ratio of three (3.0) parking spaces per one thousand (1,000) square feet of Rentable Area in the Premises.

SECTION 41 – CONSTRUCTION OF LANGUAGE. The terms "Lease," "Lease Agreement" or "Agreement" shall be inclusive of each other, and shall include renewals, extensions or modifications of this Lease. The Section headings and titles are for convenience only and shall have no effect upon the construction or interpretation of any part of this Lease. This Lease has been prepared, reviewed and revised mutually by Landlord and Tenant and their respective professional advisors. Landlord, Tenant and their separate advisors believe that this Lease is the product of their joint efforts, that it expresses their agreement, and that it should not be interpreted in favor of either Landlord or Tenant or against either Landlord or Tenant merely because of their efforts in its preparation.

SECTION 42 – LIABILITY OF LANDLORD. Tenant shall look solely to (i) the estate and property of Landlord in the Project, (ii) the rents and other income (including, without limitation, insurance proceeds payable to Landlord) from the Project receivable by Landlord, and (iii) the consideration received by Landlord from the sale of all or any part of the Project, for the collection of any judgment, or in connection with any other judicial process, requiring the payment of money by Landlord in the event of any default by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and performed by Landlord, and no other property or estates of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of Tenant's remedies and rights under this Lease. The provisions of this Section 42 are not designed to relieve Landlord from the performance of any of its obligations hereunder, but rather to limit Landlord's liability in the case of a recovery of a money judgment against Landlord. The foregoing limitation shall not apply to or limit any injunctive or other equitable declaratory or other forms of relief to which Tenant may be entitled. The word "Landlord" as used in this Lease shall mean only the owner from time to time of Landlord's interest in this Lease. In the event of any assignment of Landlord's interest in this Lease at any time following Substantial Completion, the assignor (and all prior assignor landlords, if this Lease has been assigned prior to Substantial Completion) shall no longer be liable for, and shall be deemed to be released from, the performance or observation of any agreements or conditions on the part of Landlord to be performed or observed subsequent to the effective date of such assignment provided the assignee specifically assumes all such obligations.

SECTION 43 – GOVERNING LAW. This Lease shall be construed and interpreted according to the laws of the State of Florida and exclusive venue with respect to any litigation shall be in Orange County, Florida, except as same may be in contravention of applicable law.

SECTION 44 – TIME OF ESSENCE. Subject to Section 53, time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

SECTION 45 – ACCORD AND SATISFACTION. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated to be paid shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided herein or by law. No acceptance of any Rent by Landlord shall constitute a waiver by Landlord of any prior or subsequent default of Tenant, notwithstanding any knowledge of such default by Landlord at the time of receipt of such Rent. No failure by Tenant to enforce any obligation of Landlord, or acceptance by Tenant of any partial performance by Landlord of any obligation hereunder shall constitute a waiver by Tenant of any prior or subsequent default by Landlord, notwithstanding any knowledge of such default by Tenant at the time.

SECTION 46 – ENTIRE AGREEMENT. This Lease, and the Exhibits "A" through "H" attached hereto and forming a part hereof as if fully set forth herein, constitute all covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises, and the Project and there are no covenants, promises, conditions or understandings, either oral or written, between them other than are herein set forth. Neither Landlord nor Landlord's agents have made nor shall be bound to any representations with respect to the Premises or the Project except as herein expressly set forth, and all representations, either oral or written, shall be deemed to be merged into this Lease. Except as herein otherwise provided, no subsequent alteration, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties.

SECTION 47 – SEVERABILITY. If one or more of the provisions of this Lease shall, for any reason, be held to be unenforceable in any respect, to the extent the underlying intent of this Lease can be upheld, such enforceability shall not affect any other provision of this Lease.

SECTION 48 – INTEREST ON PAST DUE OBLIGATIONS. In addition to any and all other amounts which may be due as provided in this Lease, any amount due from either party to the other party hereunder that is not paid within ten (10) days after the due date expressly provided herein (or if no date is specified, then within thirty (30) days of written demand) shall thereafter bear interest at the Stipulated Rate from the date due until paid. Notwithstanding the foregoing, any monthly installments of Fixed Annual Rent and Tenant's Proportionate Share of Operating Costs and Tenant's Proportionate Share of Taxes due Landlord hereunder not paid within ten (10) days after the due date, shall thereafter bear interest at the Stipulated Rate from the date due until paid. In addition, any Rent other than monthly installments of Fixed Annual Rent and Tenant's Proportionate Share of Operating Costs and Tenant's Proportionate Share of Taxes (subject to Tenant's tax exempt status as set forth in Section 6), due Landlord hereunder not paid within ten (10) days after Tenant's receipt of written notice from Landlord shall thereafter bear interest at the Stipulated Rate from the date due until paid.

SECTION 49 – LANDLORD'S LIEN. Omitted

SECTION 50 – RADON DISCLOSURE. In accordance with the requirements of Florida Statutes Section 404.056(8), the following notice is hereby given to Tenant: "RADON GAS: RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH DEPARTMENT."

SECTION 51 – OFAC COMPLIANCE. Tenant and Landlord (each, a "**Representing Party**") each represents and warrants to the other that (a) neither the Representing Party nor any person or entity that directly owns a 25% or greater equity interest in it nor any of its officers, directors, or managing members is a person or entity (each, a "**Prohibited Person**") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "**Executive Order**") signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (b) the Representing Party's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "**Money Laundering Act**") (i.e., Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**"), and (c) throughout the Term of this Lease the Representing Party shall comply with the Executive Order, the Money Laundering Act, and the Patriot Act.

SECTION 52 – NAME OF BUILDING. The name of the Building is the "Innovation Center I". Landlord shall have the right to change the name of the Building.

SECTION 53 – EXCUSE OF PERFORMANCE. If either party to this Lease, as the result of any (i) strikes, lockouts or labor disputes, (ii) inability to obtain labor or materials or reasonable substitutes therefor, (iii) acts of nature (including, without limitation, lightning, earthquake, hurricane, tornado, and flood), or any governmental action, condemnation, civil commotion, war, terrorism, fire or other casualty, or (iv) other conditions similar to those enumerated in this Section beyond the reasonable control of the party obligated to perform, fails punctually to perform any obligation on its part to be performed under this Lease (other than inability to pay monies due under this Lease), then such failure shall be excused and not be a breach of this Lease by the party in question, but only to the extent occasioned by such event and only

if the excused party gives notice of such circumstance to the other party within ten (10) days after, or if such notice is not reasonably possible given the circumstances of the conditions, as soon as reasonably possible after, the commencement of the delaying occurrence. If any right or option of either party to take any action under or with respect to this Lease is conditioned upon the same being exercised within any prescribed period of time or at or before a named date, then such prescribed period of time and such named date shall be deemed to be extended or delayed, as the case may be, for a period equal to the period of the delay occasioned by any event described above.

SECTION 54 – TENANT'S REPRESENTATIONS. Tenant, in order to induce Landlord to enter into this Lease, hereby represents that, as of the date of this Lease:

A. Tenant has full power and authority to conduct its business as presently conducted and to enter into this Lease. That this Lease has been duly authorized, executed and delivered by Tenant and constitutes a legal and binding obligation of Tenant.

B. The execution, delivery and performance of this Lease will not conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions or provisions of any indenture, mortgage, bank loan, credit agreement, deed of trust, instrument, document, agreement or contract of any kind or nature to which Tenant is a party or by which Tenant may be bound.

C. To the best of Tenant's knowledge, no litigation or proceedings (or threatened litigation or proceeding or basis therefor) exists which could materially and adversely affect the ability of Tenant to perform its obligations under this Lease or which would constitute a default on the part of Tenant under this Lease, or which would constitute such a default with the giving of notice or lapse of time, or both.

SECTION 55 – NO JOINT VENTURE. The parties intend by this Lease to establish the relationship of Landlord and Tenant only, and do not intend to create a partnership, joint venture, joint enterprise or any business relationship other than that of Landlord and Tenant.

SECTION 56 – COVENANTS OF TENANT. Tenant hereby agrees and covenants to Landlord that, at all times during the Term of this Lease:

A. Tenant, at its expense, agrees to comply with all "**Governmental Requirements**" (as hereinafter defined) regarding Tenant's permitted Use of the Premises or regarding subsequent Alterations to the Premises made by Tenant. The term "**Governmental Authority**" shall mean any federal, state, county, municipal, or other governmental, governmental department, commission, board, bureau, court, agency, or instrumentality having jurisdiction or authority over Landlord, Tenant and/or all or any part of the Project. The term "**Governmental Requirement**" shall mean any law, statute, code, rule, regulation, ordinance, order, authorization, registration, or other direction or requirement of any Governmental Authority which is now or in the future applicable to the Project or any part thereof.

B. Tenant is and will be licensed to conduct the business contemplated and carried on in the Premises and Tenant agrees to maintain at all times, at its sole cost and expense, all requisite permits and/or licenses in connection therewith.

C. Tenant shall not bring or keep, or permit to be brought or kept except for those substances, materials, and wastes typically used in connection with and generated by research activities being conducted within the Premises consistent with the terms of this Lease and in accordance with applicable Governmental Requirements, any inflammable, combustible, or explosive fluid, material, chemical, or substance in or about the Premises. Neither Tenant nor its agents, employees, contractors, Subtenants, Clients, assignees and invitees will use the Premises, or any portion thereof, in a manner which causes any Hazardous

Substance to be released, and will not release (as hereinafter defined) any Hazardous Substance, in, on, beneath, at or about the Premises, or any portion thereof, including, without limitation, into the atmosphere, soil or groundwater thereof. If Tenant or its agents, employees, contractors, Subtenants, Clients, assignees or invitees or any other person or entity during the Term of this Lease causes or permits the spilling, leaking, pumping, pouring, emitting, discharging, injection, escaping, leaching, dumping, or disposing in, on, beneath, at or about the Premises, including, without limitation, into the interior spaces, building materials, equipment, atmosphere, soil, parking lots or groundwater thereof (each such event or occurrence being a "release") of any Hazardous Substance, Tenant, upon knowledge thereof, shall immediately notify Landlord in writing of such release. Upon knowledge of a Hazardous Substance release by Tenant or its agents, employees, contractors, Subtenants, Clients, assignees, or invitees, Tenant will immediately commence, diligently conduct and complete the investigation, assessment, clean-up and remediation of each such release of Hazardous Substances, and take all such other action, as may be necessary or required by the Governmental Requirement, all at Tenant's sole cost and expense.

D. Tenant shall not pour or otherwise dispose of any chemical, chemical waste, chemical by-products, or other such material, through the drainage (plumbing) system of the Premises other than customary cleaning fluids. This representation by Tenant is a material inducement to Landlord to enter into this Lease, and without such inducement, Tenant acknowledges that Landlord would not have entered into this Lease agreement. Accordingly, Tenant's breach of this agreement shall be deemed a material default under this Lease, entitling Landlord to exercise any and all of its rights for Tenant's default.

E. In no event shall Tenant's employees, guests, visitors or other invitees loiter in the Building or sidewalks adjoining the Building or disturb other occupants at the Building.

F. In no event shall the Premises be used in any manner which might unreasonably expose the tenants thereof to breaches of safety, security, excess traffic or exposure to noxious or offensive fumes, odors, noises, nuisance or other harassment.

G. That Tenant's storage, handling, removal and disposal of all medical waste matter at or from the Premises shall be done in compliance with all Governmental Requirements now or hereafter existing and shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall provide separate dedicated waste containers for all medical, bio-hazardous and radiological wastes to prevent them from being mixed with all other wastes generated from the Premises.

SECTION 57 – SUCCESSORS AND ASSIGNS. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, administrators, successors and permitted assigns.

SECTION 58 – TELECOMMUNICATIONS.

A. Tenant shall, at Tenant's sole cost and expense, be solely responsible for securing such telephone and other electronic telecommunications service to the Premises as Tenant may require for its use and occupancy thereof, and Landlord shall have no obligations or liability whatsoever to Tenant with respect to the provision of such services to the Premises. Except as set forth in this Lease or the Construction Addendum for the Leasehold Improvements, none of Landlord's approval of, or requirements concerning, any telecommunications work, lines, equipment, plans, specifications or drawings or any equipment related thereto, Tenant's telecommunications provider or Tenant's and/or Tenant's telecommunications provider's contractors, subcontractors, or Landlord's future designation of a preferred telecommunications provider for the Building (if any), shall be deemed a warranty as to the adequacy, suitability, competence or financial strength thereof, and Landlord hereby disclaims any responsibility or liability for the same. Further, Tenant

hereby acknowledges that Landlord shall have no obligation or liability and hereby waives any claim against Landlord for any damages or problems in the event that Tenant's telecommunications services, lines or equipment are in any way inadequate, do not satisfy Tenant's requirements, are interrupted, curtailed, discontinued, disconnected, terminated, damaged or otherwise interfered with, or fail, except to the extent such services, lines, or equipment do not meet Landlord's obligations under this Lease or the Construction Addendum for the Leasehold Improvements, or caused by the gross negligence or willful misconduct of Landlord, its employees or agents. Any telegraphic, telephone or data lines installed in the Premises and/or the Building by or on behalf of Tenant shall be appropriately tagged with Tenant's name and the name of the provider, and all of such wiring shall be removed by Tenant, at Tenant's expense, upon the expiration or termination of this Lease.

B. To the extent permitted by Florida law, Tenant shall provide an opportunity to Dais Technologies, LLC (a provider of telecommunications services within the Lake Nona development), to propose or bid upon the telecommunication installations and services related to the Premises, which intent to negotiate or request for bid, as appropriate and applicable, shall be conducted at all times in accordance with Florida Statutes.

SECTION 59 – COUNTERPART EXECUTION. This Lease may be executed and delivered in counterparts for the convenience of the parties by facsimile or e-mail, all of which taken together shall constitute one and the same instrument. If requested, the parties agree to follow-up counterpart execution with signature pages signed by both parties.

SECTION 60 – WAIVER OF JURY TRIAL; COUNTERCLAIMS. THE PARTIES HERETO WAIVE TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDINGS OR COUNTERCLAIMS BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER.

SECTION 61 – THIRD PARTY BENEFICIARIES. Nothing in this Lease shall inure to the benefit of any third party for the purpose of allowing any third party claim against Tenant that would otherwise be barred under the doctrine of sovereign immunity or operation of law, or that would grant any third party any rights or remedies under this Lease.

[SIGNATURES APPEAR ON NEXT PAGES]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, or have caused the same to be executed as of the day and year first above written.

Signed, sealed and delivered in the presence of:

LANDLORD:

LAKE NONA INNOVATION CENTER I, LLC, a Florida limited liability company

[Signature]
Print Name: Diana Garcia
[Signature]
Print Name: Kathy Kiffell

By: [Signature]
Print Name: James L. Zboril
Its: President MR
[SEAL]

TENANT:

UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES, a public body corporate

[Signature]
Print Name: Sandra M. Cherepow
[Signature]
Print Name: Cindy L. Hawks

By: [Signature]
Print Name: John C. Hitt
Its: President

[SEAL]

Approved as to Form and Legality
Srs, 11/30/16

EXHIBIT "A"

BUILDING LAND LEGAL DESCRIPTION

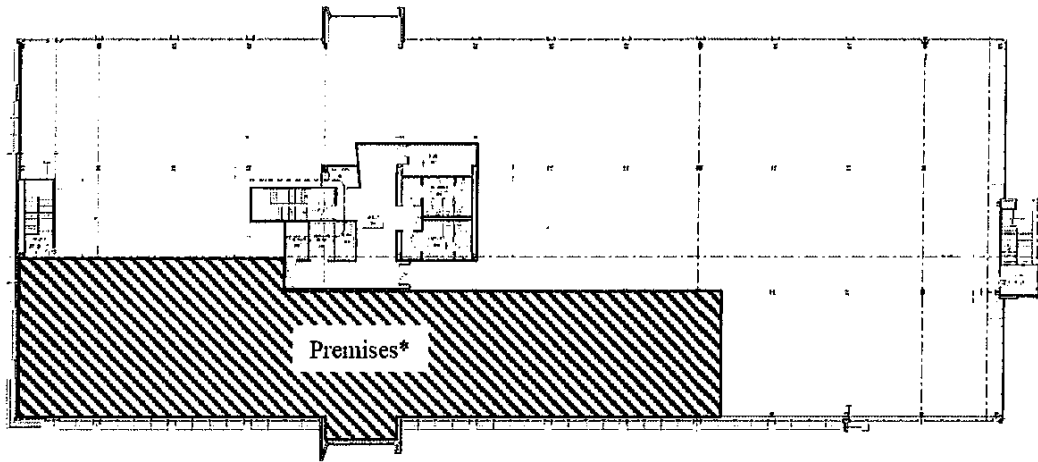
BUILDING ENVELOPE LEGAL DESCRIPTION:

THAT PART OF SECTION 26, TOWNSHIP 24 SOUTH, RANGE 30 EAST, ORANGE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF LOT 1, UNIVERSITY OF FLORIDA RESEARCH AND ACADEMIC CENTER - LAKE NONA CAMPUS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 76 PAGES 6 AND 7, OF THE PUBLIC RECORDS OF ORANGE COUNTY FLORIDA; THENCE N 14° 13' 04" W ALONG THE EASTERLY LINE OF SAID PLAT OF UNIVERSITY OF FLORIDA RESEARCH AND ACADEMIC CENTER - LAKE NONA CAMPUS, A DISTANCE OF 60.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF SANGER ROAD, ACCORDING TO SAID PLAT OF UNIVERSITY OF FLORIDA RESEARCH AND ACADEMIC CENTER - LAKE NONA CAMPUS, THENCE CONTINUE N 14° 13' 04" W A DISTANCE OF 8.41 FEET, THENCE S 78°44'27" W A DISTANCE OF 27.25 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 78°44'27" W A DISTANCE OF 301.20 FEET, THENCE N 11°16'39" W A DISTANCE OF 130.48 FEET; THENCE N 78°44'27" E A DISTANCE OF 301.20 FEET; THENCE S 11°16'39" E 130.48 FEET TO THE POINT OF BEGINNING.

EXHIBIT "B"

PREMISES FLOOR PLANS



***Location of demising walls and corridors are approximate; actual locations and dimensions of Premises will be determined by Tenant's final space plan.**

EXHIBIT "C"

EXCLUSIONS TO OPERATING COSTS

Notwithstanding anything to the contrary contained in the Lease in the definition of "Operating Costs," Operating Costs shall not include:

- (a) all capital expenditures, determined by reference to GAAP, and rentals for any item which, if the same had been purchased, would have constituted a capital expenditure, except as otherwise expressly set forth in the Lease;
- (b) all costs and expenses of leasing space in the Building, including advertising, promotion, other marketing, commissions, legal fees, allowances, and all costs and expenses of any demolition in, painting, carpeting, or refurbishing of, or alterations or improvements to, any leasable space made for any tenant or occupant or to enhance the marketability thereof or prepare the same for leasing;
- (c) electricity furnished to any leasable space in the Building (except to the extent, if any, electricity is required to be furnished to Tenant free of separate or additional charge);
- (d) all costs and expenses arising from repairs or reconstruction due to fire or other casualty to the extent reimbursed by insurance proceeds (provided that deductibles are includible in Operating Costs subject to the requirements of the Lease regarding deductibles);
- (e) any taxes other than Taxes and any related interest or penalties, other than sales taxes on amounts otherwise includable in Operating Costs; ground lease rents; depreciation, amortization and debt service and other financing expenses (other than as included in clause (a) above);
- (f) all labor costs for personnel above the grade of building manager; all labor costs allocable to any part of an employee's time during which such employee is not engaged at the Building in the operation and maintenance thereof;
- (g) any amount paid or incurred to any affiliate of Landlord (excluding Dais Technologies, LLC) or of any of its agents (and specifically including amounts paid to or incurred to entity or entities performing management and maintenance obligations of Landlord in which Landlord may hold an ownership or other interest), in excess of the amount which would have been paid or incurred on an open market basis in the absence of such affiliation, but only to the extent of the excess;
- (h) legal, architectural, engineering, broker, accounting and other professional fees relating to tenant spaces and/or not relating to Building operations specifically agreed to in the Lease;
- (i) the cost of any other item for which Landlord is reimbursed by insurance or otherwise;
- (j) the initial construction cost of any additions to the Common Areas pursuant to an expansion of the Project's leasable square footage (but not including maintenance expenses);
- (k) the cost of any initial installations for any tenant or other occupant of the Project;
- (l) the cost of leasing, or any depreciation on, any equipment used in connection with the Project;

- (m) legal, accounting and other professional fees with respect to negotiation or enforcement of this Lease and other leases in the Building;
- (n) interest or amortization payments in connection with the Project;
- (o) the cost of correcting defects in the construction of the buildings, improvements and equipment of the Project (but not including normal maintenance and repair expenses);
- (p) any political or charitable contributions;
- (q) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord;
- (r) expenses of repairs and other work occasioned by fire, windstorm or other casualty which are covered by insurance proceeds (but excluding co-payments and deductibles to the extent specified in the Lease);
- (s) wages, salaries or other compensation paid to any executive employees above the grade of building manager;
- (t) costs attributable to repairing items that are actually funded by warranties; or
- (u) any other cost or expense not attributable to the agreed upon Operating Expenses obligations specified in the Lease for operation and maintenance of the Building.

EXHIBIT "D"

CONSTRUCTION ADDENDUM

**CONSTRUCTION ADDENDUM FOR BASE BUILDING AND LEASEHOLD IMPROVEMENTS
ATTACHED TO AND MADE A PART OF THE LEASE BETWEEN**

**LAKE NONA INNOVATION CENTER I, LLC, AS LANDLORD
AND
UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES, AS TENANT**

ARTICLE I

CERTAIN DEFINITIONS

For the purposes of this Exhibit (herein called the "**Addendum**"), unless the context otherwise requires, the following terms will have the respective meanings assigned to them in this Article I or the section or article referred to below:

1.1 "**Base Building Architect**" will mean BAM Architectural Studio, or such other firm which may hereafter be designated by Landlord.

1.2 "**Base Building Plans**" will mean the final, detailed working plans, specifications, drawings, and construction documents for the Base Building (as defined herein) which have been prepared and sealed by the Base Building Architect, and which are modified as provided herein and approved in writing by the appropriate Governmental Authority (only to the extent necessary to obtain all requisite building and other permits.

1.3 "**Base Building**" will mean that certain three (3) story building as generally described and defined as the "Building" in Section 1.4 of the Lease, together with the Base Building Systems (as defined herein), grading, drainage, site work, parking and landscaped areas, restrooms, lobbies, equipment rooms, and related improvements to the foregoing which has been built on the Building Land in accordance with the Base Building Plans and all Governmental Requirements.

1.4 "**Base Building Systems**" will mean with respect to the Base Building: (a) the stairs and elevators; (b) the plumbing, mechanical and security system (including building access system); (c) the electrical, telephone, telecommunication conduit, water, storm sewer and sanitary sewer utility systems and connections; (d) the sprinkler and fire protection systems, life safety systems and lightning protection system; (e) the lighting systems; (f) the ceiling system; and (g) the paving and other improvements for pedestrian and vehicular access and vehicular parking, together with all equipment, machinery, shafts, risers, flues, piping, wiring, ducts, ductwork, panels and instrumentation and other appurtenances relating to any or all of the foregoing, all as more specifically set forth in the Base Building Plans.

1.5 "**Base Building Work**" will mean all construction work, services performed, or materials provided in connection with the construction of the Base Building by Landlord. The Base Building Work does not include the Leasehold Improvements Work (as defined below) to be constructed by Tenant.

1.6 "**Building Plans**" will mean the Base Building Plans and the Leasehold Improvement Plans (as defined herein).

1.7 "**Construction Contract**" will mean the construction contract and/or construction management agreement entered into by Landlord, as owner, for the construction and/or management of construction of all or any part of the Project and the other improvements called for in the Base Building Plans.

1.8 **Intentionally Blank.**

1.9 "**General Contractor**" will mean the general contractor or construction manager that was selected by Landlord, for the construction of the Base Building in accordance with this Addendum.

1.10 "**Landlord's Work**" will mean the Base Building Work (and shall not include the Leasehold Improvements Work).

1.11 "**Leasehold Contract**" will mean the Construction Contract awarded for the construction of the Leasehold Improvements (as defined herein).

1.12 "**Leasehold Contractor**" will mean the general contractor or construction manager, selected and designated by Landlord and approved by Tenant for the construction of the Leasehold Improvements in accordance with this Addendum.

1.13 "**Leasehold Improvement Architect**" will mean the architect selected and designated by Landlord and approved by Tenant.

1.14 "**Leasehold Improvement Plans**" will mean the final, detailed working plans, specifications, drawings, and construction documents for the Leasehold Improvements to be prepared and sealed by the Leasehold Improvement Architect and approved, pursuant to the terms of this Addendum, in writing by Landlord, Tenant and the appropriate Governmental Authority, as such Leasehold Improvement Plans may be modified in accordance with this Addendum.

1.15 "**Leasehold Improvements**" will mean all leasehold improvements to be constructed and/or installed in the Premises, including, but not limited to, all partitions, doors and hardware, wall coverings, painting, lighting systems, HVAC system to serve the Premises, supplemental electrical systems, supplemental ceiling systems, floor coverings, millwork and other tenant finish improvements (but specifically excluding the Base Building Systems and other improvements which are defined as part of the Base Building), all as more specifically set forth in the Leasehold Improvement Plans. Leasehold Improvements will not include furniture, furnishings, office equipment, signs, artwork, trade fixtures, or special systems installed by Tenant that are in the nature of movable or removable fixtures or equipment.

1.16 "**Leasehold Improvements Work**" will mean all construction work, services performed, or materials provided to the Premises in connection with the construction of the Leasehold Improvements to be performed by Landlord on behalf of Tenant.

1.17 **Intentionally Blank.**

1.18 **Intentionally Blank.**

1.19 **Intentionally Blank.**

1.20 **Intentionally Blank.**

1.21 "**Space Plan**" shall have the meaning set forth in Section 2.1(b) of this Addendum.

1.22 "**Substantial Completion**" or "**Substantially Complete**" will mean the completion by Landlord of Landlord's Work, all as more specifically set forth in the Building Plans, including, but not limited to, the construction and installation of the Base Building, in accordance with the Building Plans, all applicable Governmental Requirements, and this Addendum, in a good and workmanlike manner, and in accordance with good construction and engineering practices, free from known defects, and that Landlord's Work is sufficiently complete, as set forth in the Lease, so as to allow Tenant to occupy the Premises for the Use without unreasonable disturbance or interruption. Tenant acknowledges and agrees that Substantial Completion of Landlord's Work has occurred prior to the Effective Date of this Lease. "**Substantial Completion**" as such relates to the Leasehold Improvements Work, will mean the issuance of a Certificate of Occupancy allowing Tenant to occupy and operate in the Premises for the Use, subject to Tenant's installation of any items to be installed by Tenant hereunder. At Landlord's request, and upon Landlord's satisfaction of the required elements of Substantial Completion, Tenant will execute and deliver to Landlord written acknowledgments that Substantial Completion of the Leasehold Improvements Work has occurred upon the occurrence thereof.

1.23 **Intentionally Blank.**

1.24 "**Tenant Improvement Allowance**" will mean up to a maximum amount of One Million Six Hundred Fifty Thousand and No/100 Dollars (\$1,650,000.00), as further provided below.

1.25 **Intentionally Blank.**

1.26 **Intentionally Blank.**

1.27 "**Tenant's Cost**" will have the meaning set forth in Section 5.2 of this Addendum.

Additional defined terms may appear in other provisions of this Addendum and, if so, will have the respective meanings assigned to them. Capitalized terms not specifically defined in this Addendum will have the same meanings as ascribed thereto in the Lease. The definition of a term or phrase in the singular will include and allow for a reference to such term or phrase in the plural or vice versa.

ARTICLE II

BUILDING PLANS AND CONSTRUCTION CONTRACTS

2.1 Preparation of Building Plans.

(a) Base Building Plans. Landlord has caused the Base Building Architect to prepare (and, as appropriate, revise) the Base Building Plans. Copies of the Base Building Plans have been provided to Tenant for Tenant's use in developing the Leasehold Improvement Plans.

(b) Space Plan Approval. Attached hereto as **Exhibit "D-1"** is a space plan for the Premises (the "**Space Plan**") which has been approved by Landlord and Tenant.

(c) Leasehold Improvement Plans. Landlord on behalf of Tenant will cause the Leasehold Improvement Architect to prepare (and, as appropriate, revise) the Leasehold Improvement Plans consistent with the Space Plan and as specified by and in accordance with all Governmental Requirements (including but not limited to applicable Environmental Health and Safety Fire Codes), and shall provide that all laboratory space within the Premises will include fire sprinklers. In no event will the Leasehold Improvement Plans require or result in a change in the scope, design or general quality of the Base Building

as reflected in the Base Building Plans. The Leasehold Improvement Plans will be submitted to Landlord and the Base Building Architect and Landlord will, by appropriate marking, either approve the same or provide specific reasonable indications of rejections and requested revisions (in which event the Leasehold Improvement Plans will be revised by the Leasehold Improvement Architect and resubmitted to Landlord and the Base Building Architect, and the process repeated, until finally approved in full), and any approval of Landlord will not be unreasonably withheld or delayed. Any changes to the Base Building Plans that are required under or as a result of the Leasehold Improvement Plans as approved by Landlord under this subsection (c) shall be deemed to be a Tenant's Building Change and shall be subject to the provisions of Section 3.2 hereof. Landlord will approve or provide specific reasonable indications of rejections and requested revisions to any items submitted (or resubmitted) pursuant to this subsection (c) no later than fifteen (15) Business Days after initial receipt thereof by Landlord and the Base Building Architect and no later than five (5) Business Days upon any subsequent review thereafter, until the Leasehold Improvement Plans are approved or deemed approved by Landlord. The failure of Landlord to notify Tenant of approval or disapproval of the items submitted to Landlord under this subsection (c) within such fifteen (15) or five (5) Business Day period, as applicable, will be deemed to be approval thereof by Landlord and such items shall be incorporated in the Leasehold Improvements Work.

Landlord agrees that it shall on behalf of Tenant, at Tenant's cost and expense, cause the Leasehold Improvement Architect to: (x) generate written inspection reports after each inspection of the Leasehold Improvements Work and forward the same to Landlord within ten (10) days after each inspection, which shall be no less frequently than monthly; (y) provide reasonable and customary architectural services, as the architect that designed the Leasehold Improvements, necessary for Landlord and the Leasehold Contractor to timely obtain a building permit for and complete the Leasehold Improvements; and (z) work with the Leasehold Contractor so that the Leasehold Improvement Plans may be prepared and completed. Once the Leasehold Improvement Plans have been approved as provided in this subsection (c), in the event of any conflict between a Space Plan and related Leasehold Improvement Plans, the Leasehold Improvement Plans shall control.

(d) Fire and Safety. Notwithstanding any language to the contrary, Landlord will coordinate with Tenant to ensure that the construction of the Leasehold Improvements includes review, as needed, by the State Fire Marshall to determine compliance with UCF Environmental Health & Safety Fire Codes, and any delay in the construction process arising from fire code compliance obligations shall not result in assessment of any penalty to or obligation of Tenant, but shall be solely borne by Landlord. However, in the event of a conflict between the UCF Environmental Health & Safety Fire Codes and the City of Orlando Building Code, the City of Orlando Building Code shall prevail. Effect of Approval. To the extent that Tenant's approval or consent is required or contemplated hereunder, approval by Tenant (whether actual or deemed) will (a) be non-technical approval of design, materials, and equipment, (b) not be deemed to mean approval of structural capacity of the Base Building or the Base Building Systems, size of ducts and piping, adequacy of electrical wiring, system/equipment capacities and, without limitation, other technical matters, and (c) not relieve Landlord of responsibility for proper and adequate design of the Base Building or construction of the Landlord's Work or of the Leasehold Improvements or construction of the Leasehold Improvements Work. Provided however, Tenant will promptly notify Landlord of any defects or problems in the Building Plans and the construction of the Landlord's Work and in the Leasehold Improvement Plans and the construction of the Leasehold Improvements Work to the extent that Tenant has actual, and not imputed, knowledge thereof. Landlord will ensure that the structure and detail of the utilities and the mechanical, electrical and other systems of the Leasehold Improvements meet all applicable Governmental Requirements and the Leasehold Improvement Plans and that all of the Leasehold Improvements Work satisfies all Governmental Requirements. Landlord will obtain from the Leasehold Contractor a commercially reasonable warranty regarding the construction of the Leasehold Improvements. Such warranty shall be in addition to and not in lieu of Landlord's (i) warranty of construction set forth in Article X of this Addendum, and (ii) repair and maintenance obligations expressly set forth in the Lease.

2.2 Construction Contract for Base Building. Landlord has previously entered into a Construction Contract for the construction of the Base Building.

2.3 Construction Contract for Leasehold Improvements. Landlord shall on behalf of Tenant enter into a Construction Contract for the construction of the Leasehold Improvements which shall be in form and substance as determined by Landlord, subject to the requirements of this Addendum and approved in writing by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. Upon each execution by Landlord of the Leasehold Improvements construction contract, and prior to commencement of construction thereunder, Tenant shall pay to Landlord a sum equal to the anticipated total cost of such Leasehold Improvements Work (including all labor, materials, fees, costs, design and permitting charges and other related expenses) in excess of the portion of the Tenant Improvement Allowance. Landlord may use such funds received from Tenant for the first draw payments related to the Leasehold Improvements Work until such funds are exhausted. Thereafter Landlord shall fund the balance of such costs up to the amount of the share of the Tenant Improvement Allowance. If the total Leasehold Improvements Work costs exceeds the anticipated cost estimated at the commencement of construction, Tenant shall be solely responsible for such excess costs and shall immediately pay to Landlord the sum equal to the total of such excess costs upon notice of same from Landlord. At such time as it is determined that the costs of the Leasehold Improvements construction contract shall exceed the Tenant Improvement Allowance Tenant may elect by notice to Landlord to receive from Landlord an addition to the Tenant Improvement Allowance (the "**Additional Allowance**") up to a total maximum amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) to be applied to fund all or a portion of such excess amount. In such event the amount of the Additional Allowance to be funded by Landlord shall be added to Tenant's Fixed Annual Rent based upon an amortization of such amount over a five (5) year period together with interest accruing thereon at the rate of six percent (6%) per annum. In the event of such Additional Allowance election Landlord and Tenant shall execute an amendment to this Lease setting forth the modified Fixed Annual Rent schedule payable by Tenant. If after election of an Additional Allowance Tenant duly and timely elects to exercise its early termination option set forth in Section 3.B. above such exercise shall not be effective unless Tenant simultaneously with exercising such early termination option pays to Landlord the full amount of the Additional Allowance which has not been repaid to Landlord under such Fixed Annual Rent amortization as of the date of such election notice.

ARTICLE III

CHANGES IN BUILDING AND COST OF CHANGES

3.1 Changes to the Building by Tenant. Tenant may request Landlord to make changes to the Building, which has already been constructed. Any changes to the Building so requested by Tenant (herein referred to as "**Tenant's Building Changes**") will be subject to Landlord's prior written approval, which approval may be granted or denied in Landlord's sole discretion. Landlord will, as to any proposed Tenant's Building Change that Landlord approves, within ten (10) Business Days following receipt of Tenant's proposed changes, deliver to Tenant (a) a statement of the estimated cost of construction (the "**Building Cost**") in connection with such Tenant's Building Changes as above provided. If Tenant fails to approve in writing Landlord's submission within ten (10) Business Days following receipt thereof, the same will be deemed disapproved in all respects by Tenant, and Landlord will not make the change. If Tenant approves in writing the statement of cost, Landlord will promptly cause the Building to be modified to provide for such change. Notwithstanding the foregoing, no Tenant's Building Change shall be deemed a delay in Substantial Completion of the Landlord's Work, or result in a delay in the Commencement Date. Building Costs approved by Landlord and Tenant shall be included in the Leasehold Improvements Work and paid for as provided in Section 2.4 above.

ARTICLE IV

CONSTRUCTION OF THE LEASEHOLD IMPROVEMENTS WORK

4.1 Performance by Landlord. Landlord will cause Substantial Completion of the Leasehold Improvements Work and will be fully responsible for all matters that must be accomplished to complete the Leasehold Improvements Work in accordance with the provisions of this Addendum including, without limitation, filing plans and other required documentation with the proper Governmental Authority, securing all necessary permits (after Tenant requests Landlord to commence the permitting process), supervising all details of the Leasehold Improvements Work, and promptly removing or otherwise handling all construction and like liens from the public record. Landlord will not be responsible for specific items to be installed by a separate contractor (which may include, without limitation, the Leasehold Contractor), pursuant to a separate contract with Tenant, and not otherwise required to be installed in accordance with the Leasehold Improvement Plans.

4.2 Intentionally Blank.

4.3 Non-Liability of Tenant. Subject to the terms and conditions of Sections 4.6 and 4.7 of this Addendum, Tenant will not be liable for any injury, loss, or damage to any person (including, but not limited to, death) or property on or about the Premises during construction of the Leasehold Improvements Work, unless caused by a negligent act or omission of Tenant, its employees, agents acting within the scope of their employment by Tenant.

4.4 Non-Liability of Landlord. Subject to the terms and conditions of Sections 4.6 and 4.7 of this Addendum, Landlord will not be liable for any injury, loss, or damage to any person (including, but not limited to, death) or property on or about the Premises during construction of the Leasehold Improvements Work, unless caused by Landlord, its employees, agents, or contractors.

4.5 Intentionally Blank.

4.6 General Access. Landlord will afford Tenant, its employees, and its representatives regular access during Normal Business Hours to the Building Land and the Building, all materials thereon and therein, and all work being performed thereon and therein solely for inspection purposes or other purposes expressly provided by this Addendum; provided, however, that in exercising such right of access, Tenant and its employees and representatives will comply with all Governmental Requirements (including, but not limited to, OSHA safety regulations and standards) and will coordinate such access with Landlord. Tenant shall be accompanied by a representative of Landlord except during periods in which Tenant, its contractors, employees and representatives are engaged in the installation of the Leasehold Improvements Work, Tenant's equipment and other property as provided in this Section. Prior to any work being performed by Tenant or any separate Tenant's contractor, Tenant shall provide to Landlord certificates of insurance evidencing that Tenant has the required general liability insurance required of Tenant under the Lease, as well as certificates of insurance in forms and in amounts satisfactory to Landlord evidencing that each Tenant's contractor has in effect (and shall maintain at all times during the course of the work hereunder) workers' compensation insurance to cover full liability under workers' compensation laws of the State of Florida with employers' liability coverage and commercial general liability and builder's risk insurance for the hazards of operations, independent contractors, products and completed operations.

4.7 Responsibility of Landlord. Tenant's approval of any design for the Leasehold Improvements will in no manner or respect constitute a verification, confirmation or validation of the

propriety, compliance with Governmental Requirements, safety, or function of any such design or construction.

4.8 Designated Representatives. Landlord and Tenant each hereby appoint a representative (each, a "**Designated Representative**"), and in the event that a Designated Representative is unavailable for any reason whatsoever, an alternative representative (each, an "**Alternative Representative**"), to make timely binding decisions on design, development and construction matters (including pricing and scheduling changes) relating to the Leasehold Improvements. The Designated Representatives are:

Landlord	James L. Zboril
Tenant	William Edward Martin, Jr. Director, Facilities Planning and Construction

The Alternative Representatives are:

Landlord	John Pottinger
Tenant	Priscilla Lee Kernek Associate Vice President, Facilities and Safety

At any time and from time to time hereafter, Landlord and Tenant will each have the right to appoint a successor or substitute Designated Representative and/or Alternative Representative to act on behalf of such party, each such appointment to be effected by delivering five (5) days' prior written notice to the other party hereto in accordance with the notice provisions of the Lease. Any action which may be taken by a Designated Representative may also be taken by an Alternative Representative and any party may rely thereon as if such action had been taken by the Designated Representative and such party will have no duty to inquire why the Designated Representative was unavailable to act. All notices shall be in writing.

ARTICLE V

COST OBLIGATIONS

5.1 Landlord's Cost. Except as otherwise specifically provided in Section 5.2 below, Landlord will be liable and obligated to pay for all costs of preparation of the Base Building Plans and all costs of developing and constructing the Base Building, including, but not limited to, all permit costs, impact fees, architectural and engineering fees, and costs for labor and materials.

5.2 Tenant's Cost. Tenant will be liable for and obligated to pay the cost, as and when due, of preparing the Space Plans. Landlord will pay for the Leasehold Improvement Plans, which cost will be charged against the Tenant Improvement Allowance. If Tenant owes any amounts to Landlord under the Lease or this Addendum, then the same shall be paid in a lump sum payment due within the times established in Section 3.3 of this Addendum or as otherwise may be expressly provided in the other sections of this Addendum provided however, that interest shall accrue thereon at an interest rate of the Stipulated Rate, commencing on the date of payment by Landlord of such excess amounts. All of the foregoing amounts referred to above in this Section 5.2 that Tenant is obligated to pay are herein collectively referred to as the "**Tenant's Cost**." Any amounts that are due to Landlord under this Section 5.2 and that are not paid as and when due pursuant to the terms hereof, shall accrue interest at the Stipulated Rate.

ARTICLE VI

TIME

6.1 Time. Time is of the essence with respect to all obligations and provisions contained in this Addendum.

ARTICLE VII

INTENTIONALLY BLANK

ARTICLE VIII

LANDLORD INSURANCE OBLIGATIONS

8.1 Leasehold Contractor Insurance. Landlord will obtain and maintain or will require the Leasehold Contractor to obtain and maintain, from the date hereof until the date of completion of the Leasehold Improvements Work, insurance such as builder's risk insurance, automobile liability insurance and/or commercial general liability insurance against liability for bodily injury and death and property damage, in reasonable and customary amounts and forms (at least \$3,000,000 general aggregate). Landlord will also provide or cause to be provided and kept in force workers' compensation coverage with statutory benefits covering employees of the Leasehold Contractor and any other subcontractor of Landlord or the Leasehold Contractor. Landlord will deliver to Tenant, promptly as same are issued, true and complete copies or certificates of all policies of insurance, together with all subsequent endorsements thereto, as are required to be obtained and maintained by Landlord pursuant to the terms hereof. In addition, the Leasehold Contractor shall carry products and completed operations insurance coverage (for at least one (1) year after the date of acceptance of the Leasehold Improvements Work by Landlord and Tenant); and contractual liability specifically covering the indemnification provision in the construction contract. The commercial general liability insurance is to include broad form property damage and afford coverage for explosion, collapse and underground hazards, and "personal injury" liability insurance and an endorsement providing that the insurance afforded under the contractor's policy is primary insurance as respects Landlord and Tenant and that any other insurance maintained by Landlord or Tenant is excess and non-contributing with the insurance required hereunder, provided that such insurance may be written through primary or umbrella insurance policies with policy limits required herein.

8.2 Leasehold Improvement Architect's Insurance. Landlord shall have the right, at no cost to Landlord or Tenant, to cause the Leasehold Improvement Architect and any other contractors or subcontractors performing work in the Building, to carry liability (including, with respect to the Leasehold Improvement Architect, professional liability insurance in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate) and other insurance as to contractors, all as is described in Section 8.1 of this Addendum and naming Landlord as an additional insured thereunder

ARTICLE IX

DISPUTE RESOLUTION

In the event of any dispute as to the Leasehold Improvement Plans or the Leasehold Improvements Work, which is not mutually resolved by the parties working together in good faith within ten (10) Business Days after the date for which the related consent or approval is required hereunder, then the parties hereto shall each act reasonably to attempt to together select one (1) expert to resolve such dispute (the "**Expert**"). If the parties hereto cannot mutually agree upon the Expert within five (5) Business Days after written

request from one party hereto to the other, then within five (5) days after the expiration of such period, Tenant and Landlord shall each select their own expert. Such experts shall then select the Expert by no later than ten (10) days after the expiration of such five (5) day period and the Expert shall render a decision within twenty (20) days thereafter, unless such time frame is mutually extended by Tenant and Landlord. If the two (2) experts chosen by Tenant and Landlord fail to choose an Expert within the time frames set forth above or if an Expert is chosen, but does not render a decision with the twenty (20) day period, then either: (a) Landlord and Tenant may elect to extend the time for such experts to select the Expert or for the Expert to render a decision, as applicable; or (b) Landlord or Tenant may elect to select new experts by delivering written notice of such election to the other party, whereupon each party hereto shall select an expert within ten (10) days thereafter and such experts shall then select the Expert in accordance with the provisions and time frames of this Section. The provisions of the immediately preceding sentence shall apply until an Expert is chosen. The decision of the Expert shall be binding upon Landlord and Tenant.

The Expert and each expert chosen by Landlord and Tenant to choose the Expert, if applicable, pursuant to this section, shall be a licensed architect with at least ten (10) years' experience in the State of Florida with respect to projects similar to the development contemplated by this Addendum. All fees, costs and expenses incurred in connection with obtaining and hiring the Expert shall be shared equally by Tenant and Landlord; however, Tenant and Landlord shall each bear their own attorneys' fees incurred with respect to this procedure and for the costs of retaining each expert, if applicable, upon failure to choose the Expert together.

If the Dispute Resolution process described above is not completed within six (6) months of the first written notice from one party to the other specifying the dispute, and such delay is not the resulting of the wrongful acts or omissions of the terminating party, then in such event either party may by written notice to the other party terminate the dispute resolution process described in this Article IX, and in such event either party may thereafter proceed by legal action to resolve the dispute.

ARTICLE X

WARRANTY OF CONSTRUCTION

Notwithstanding anything to the contrary contained in the Lease or this Addendum, for the first (1st) year after the Commencement Date as to the Landlord's Work and for the first (1st) year after Substantial Completion of the Leasehold Improvements Work (as applicable), Landlord hereby provides a warranty in favor of Tenant to repair or replace (if needed) any material defect in the Landlord's Work or the Leasehold Improvements Work (excluding design defects as to the Leasehold Improvements Work), so long as the need for such repair or replacement is not caused by the negligence or willful misconduct of Tenant or its agents, employees, or contractors. The warranty contained herein is not intended to reduce Landlord's repair and maintenance obligations expressly set forth in the Lease. Landlord shall require Landlord's Leasehold Contractor to warrant and assume obligation with respect to the proper construction of the Leasehold Improvements on commercially reasonable terms and for a commercially reasonable period of time. With the exception of the foregoing warranty in this Article X or such other remedies as are expressly set forth herein, Tenant shall have no other remedies or recourse against Landlord with respect to the Landlord's Work and the Leasehold Improvements work except such arising due to the gross negligence or willful misconduct of Landlord, and in such event Tenant's remedies shall be further subject to the provisions and limitations related to Tenant's remedies set forth in Section 24 of this Lease.

ARTICLE XI

MONITORING OF PROGRESS; AS-BUILT PLANS

11.1 Tenant will have the right to monitor and inspect the Landlord's Work and the Leasehold Improvements Work as it progresses pursuant to the terms and conditions of Section 4.5 hereof.

11.2 Within sixty (60) days following Substantial Completion of the Leasehold Improvements Work, Landlord shall deliver to Tenant three (3) complete copies of as-built drawings and specifications of the Leasehold Improvements Work, in full size sheets, or in electronic format. The cost of generating such as-built drawings and specifications shall be deducted from the Tenant Improvement Allowance.

ARTICLE XII

CONSTRUCTION MANAGEMENT FEE

In exchange for the construction management services provided by Landlord pursuant to this Construction Addendum Tenant shall pay to Landlord a construction management fee (the "**Construction Management Fee**") of \$50,000.00. Such Construction Management Fee shall be paid upon Substantial Completion of the Leasehold Improvement Work, and shall be deducted from and paid to Landlord from the Tenant Improvement Allowance. In addition to the Construction Management Fee, Landlord shall also be entitled to be reimbursed for its reasonable and customary costs and expenses incurred in the interest of the Leasehold Improvements Work. Such expenses shall include, but not be limited to: expenses of transportation in connection with the Leasehold Improvements Work, long-distance communications, fees paid for securing approval of authorities having jurisdictions over the Leasehold Improvements Work (including but not limited to all permit and impact fees), the cost of reproductions, postage, express deliveries, electronic facsimile transmissions, and costs for the handling of drawings, specifications and other construction documents.

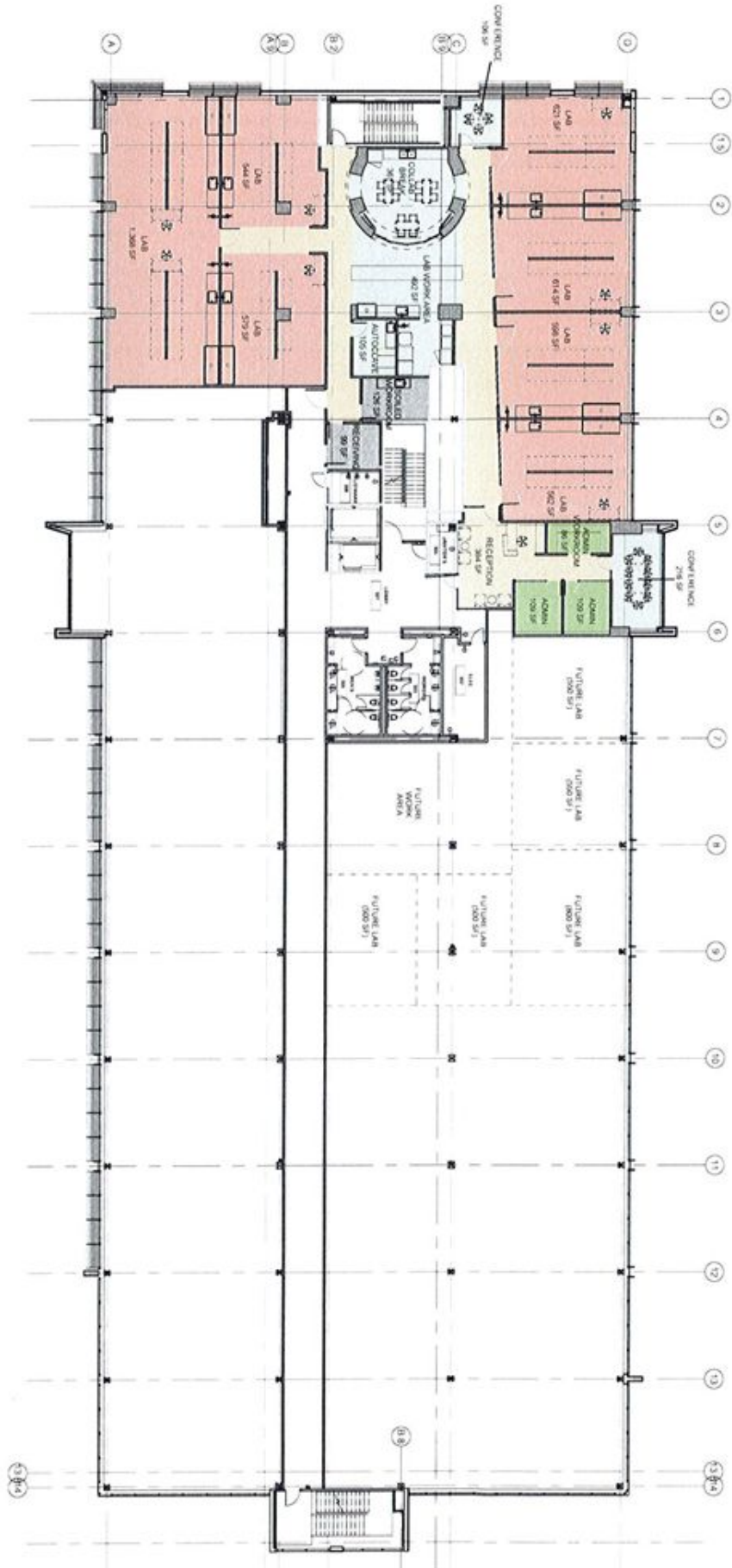
Exhibit D-1

Space Plans

{28488238;17}

D-60-11

UCF INCUBATOR LAB | ORLANDO, FLORIDA



SECOND FLOOR PLAN



EXHIBIT "E"
RULES AND REGULATIONS

1. Landlord may from time to time in its reasonable judgment adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using, or entering the same, or any equipment, furnishings, or contents thereof, and Tenant shall comply with the Landlord's reasonable requirements relative thereto.

2. Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve, or distribute foods or beverages in the Common Areas.

3. Except in connection with the Use as defined in the Lease to which this Exhibit is attached, Tenant shall not install or operate any machinery or apparatus other than usual business machines (including, without limitation, computers, printers, fax machines and kitchen appliances) without specific written approval of Landlord. Installation and or use of any radiological or imaging equipment that is not in connection with the Use as defined in the Lease to which this Exhibit is attached shall require Landlord's prior approval.

4. No additional locks or similar devices shall be placed upon doors of the Premises and no locks shall be changed except with written consent of Landlord. Upon termination of the Lease, Tenant shall surrender to Landlord all keys to the Premises. Such consent of Landlord shall not be unreasonably withheld.

5. Tenant shall be permitted to move furniture and office furnishings and other Tenant's Property into or out of the Building at Tenant's own risk only at such times and in such a manner designated by Landlord so as to cause the least inconvenience of other tenants. It shall be the obligation of Tenant to repair, at no expense to Landlord, any damage to the Premises or Building caused by Tenant or its agents during moving.

6. Window coverings other than the type designated by Landlord as Building standard, either inside or outside the windows, may not be installed without Landlord's prior written consent and must be furnished, installed and maintained at the expense of Tenant (but payable out of the Tenant Improvement Allowance) and at Tenant's risk, and must be of such shape, color, material, quality and design as may be prescribed by Landlord, subject to applicable environmental health and safety recommendations and requirements.

7. If Tenant desires additional telegraphic or telephonic connections, or the installation of any other electrical wiring, Landlord will, upon receiving a written request from Tenant and at Tenant's expense, direct the electricians as to where and how the wires are to be introduced and run, and without such direction, no boring, cutting or installation of wires will be permitted.

8. The sidewalks, entrances, passages, courts, corridors, vestibules, halls, stairways and elevators in or about the Premises and Building shall not be obstructed or used for storage or for any purpose other than ingress and egress by Tenant or its invitees.

9. The Premises' ventilation system shall be isolated, separated within the Building from other tenants' ventilations system(s). Tenant shall not create or maintain a nuisance in the Premises nor make or permit any noise or odor or use or operate any electrical or electronic devices that emit loud sounds, air waves, or odors, that are reasonably objectionable to other tenants of this Building or any adjoining

building or premises; nor shall the Premises be used for lodging or sleeping nor any immoral or illegal purpose that will violate any law, damage the Premises, or injure the reputation of the Building.

10. Landlord reserves the right at all times to exclude news delivery persons, loiterers, vendors, solicitors and peddlers from the Building and Building Land as deemed necessary and to require registration, satisfactory identification and credentials from all persons seeking access to any part of the Building or Project. Landlord shall exercise its best judgment in executing such control but shall not be held liable for granting or refusing such access.

11. No animals, pets, bicycles or skateboards or other vehicles shall be brought or permitted to be in the Premises or Building, other than service animals, and other than fish in a fish tank, the size of which shall be subject to Landlord's reasonable approval.

12. Tenant shall cooperate fully with Landlord to assure the most effective and efficient operation of the Building and the use of utilities. Tenant shall not adjust any common controls other than room thermostats installed for specific use. Tenant shall not tie, wedge, or otherwise fasten open any water faucet or outlet. Tenant shall keep all common corridor doors (if any) closed.

13. Except to the extent expressly provided in the Lease, Landlord shall not assume responsibility for protecting the Premises from theft, robbery, pilferage and other crimes.

14. Tenant shall not knowingly overload any floor and shall not install any heavy objects (i.e. objects creating weight loads in excess of one hundred (100) pounds per square foot, safes, business machines, equipment, files or other equipment without having received Landlord's prior written consent as to size, maximum weight, routing and location thereof. Safes, furniture, equipment, machines and other large or bulky, articles shall be brought through the Building and into and out of the Premises at such times and in such manner as Landlord shall direct (including but not limited to required use of the service elevator) and at Tenant's sole risk and responsibility.

15. Tenant shall not use more electrical current from individual or collective circuits as is designated by the amperage rating of said circuits at the circuit breaker panels for Tenant's Premises. Should Tenant exceed the safe capacity as designed and as stated on the circuit breakers for said circuits then Tenant shall bear the entire expense of modifications to adjust or increase the amperage for Tenant's safe and proper electrical consumption. Landlord's consent to such modifications to the electrical system shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

16. Tenant, its employees, its invitees and guests shall not smoke in the Premises, Building or any Common Areas. Landlord shall make commercially reasonable efforts to enforce a similar restriction upon smoking by all parties while they are at or within the Building or the Common Area.

17. Tenant shall be responsible for any property damage including stoppage caused by failure to use the apparatus as instructed or for the purpose constructed done to any Common Area including but not limited to restrooms, elevators, stairways, hallways, lobby, sidewalks, parking lots, landscape areas caused by Tenant, its licensees, guests, agents, contractors or invitees negligent act or omission occurring within the scope of employment by Tenant.

18. Landlord reserves the right to establish reasonable rules and regulations which shall govern the access, activity, conduct and set specific rules and regulations with respect to contractors, subcontractors, agents or consultants that conduct activities in the Building, Premises and or Building Land.

19. Landlord reserves the right to make such further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Premises and the preservation of good order therein. Any additional rules and regulations promulgated by Landlord and provided to Tenant shall be binding upon the parties hereto with the same force and effect as if they had been inserted herein at the time of execution hereof. Tenant shall be responsible for the observance of all of the foregoing rules and regulations by Tenant's employees, agents, clients, customers, invitees and guests. Landlord shall not be responsible for any violation of the foregoing rules and regulations by other tenants of the Building, except as otherwise set forth herein.

20. Tenant shall not conduct or permit any auctions or sales at the Premises or Project.

In the case of any conflict between the provisions of the Lease and these Rules and Regulations, the provisions of the Lease shall control.

EXHIBIT "F"

PARKING PROVISIONS

1. As provided in the Lease, Landlord shall provide Tenant with access to and non-exclusive use of the parking field at the Project by Tenant, its employees, invitees and guests.

2. There shall be no parking charge for Tenant's employees and visitors.

3. Tenant shall at all times comply with all applicable Governmental Requirements respecting the use of the parking field.

4. Landlord reserves the right to adopt, modify and enforce reasonable rules governing the use of the parking field from time to time not in conflict with the Lease, including any key-card, sticker or other identification or entrance system (collectively, the "**Parking Rules**"), and Tenant agrees to comply with and be bound by such Parking Rules in effect from time to time. Landlord may refuse to permit any person who violates such Parking Rules to park in the parking field, and any violation of the Parking Rules shall subject the car to removal from the parking field at the car owner's expense.

5. The parking spaces in the parking field shall be provided on an unreserved "first-come, first-served" basis, subject to Landlord's right to reasonably designate certain reserved parking spaces for Building tenants in Landlord's sole discretion.

6. Landlord also reserves the right to close all or any portion of the parking field in order to make repairs or perform maintenance services, or to alter, modify, re-stripe or renovate the parking field, or if required by events described in Section 53 of the Lease. Landlord will provide Tenant with advance written notice of any such actions by Landlord (except if caused by events described in Section 53 of the Lease, in which case Landlord will notify Tenant as soon as reasonably possible thereafter). Landlord will exercise its rights under this paragraph in such a manner so as to minimize interference with Tenant's access to and use of the parking field, to the extent possible under the circumstances.

7. Landlord reserves the right, without any obligation, to provide valet parking service to the Building and Project, but Tenant shall not be obligated to use such valet parking service.

EXHIBIT "G"

LAB OPERATIONS REQUIREMENTS AND LIMITATIONS

Capitalized terms used but not defined herein shall have the meaning set forth in the Lease to which it is attached. The terms of this Exhibit "G" are intended to supplement, complement, and be in addition to, rather than in lieu of, any of the other provisions in the Lease; provided, however, in the event of any conflict between the terms and provisions set forth herein and the terms and provisions of the Lease (including any other exhibits or attachments thereto), the terms and provisions of this Exhibit "G" shall control and be interpreted in such a manner as to override any provision of the Lease which would prevent the intent of the terms and provisions of this Exhibit "G" from being given full force and effect.

1. Hazardous Substances in Laboratory Operations.

1.1. Operational Requirements Generally. Landlord acknowledges that it is not the intent of Section 56.C of the Lease to prohibit Tenant from using the Premises for the Use. Tenant may operate and use the Premises according to the customs and standards of life sciences business incubator facilities generally, so long as the use or presence of Hazardous Substances is strictly and properly monitored in accordance with Governmental Requirements. Tenant acknowledges that areas of the Building may be used for a restaurant, food service, and other non-laboratory uses, and Tenant covenants to use best industry practices in the conduct of all laboratory operations and the storage, use, treatment, and disposal of Hazardous Substances at the Premises. In all events Tenant shall comply with all applicable provisions of the standards of the U.S. Department of Health and Human Services as further described in the USDHHS publication *Biosafety in Microbiological and Biomedical Laboratories* (5th Edition, December 2009) as it may be further revised, or such nationally recognized new or replacement standards as may be reasonably selected by Landlord. Any Hazardous Substances permitted to be stored on the Premises pursuant to the Lease shall be stored in areas of the Premises exclusively designated by Tenant for such purpose. Tenant agrees to pay the reasonable cost of any environmental inspection or assessment required by any governmental agencies, mortgagees of the Project, or by any insurance carrier, to the extent that such inspection or assessment pertains to any release, threat of release, contamination, claim of contamination, loss or damage in the Premises arising out of Tenant's use and occupancy thereof.

1.2. Information Regarding Hazardous Substances. As a material inducement to Landlord to allow Tenant to use Hazardous Substances in connection with its operations at the Premises, Tenant shall provide the following information and documentation to Landlord in writing prior to the Commencement Date and thereafter shall update such information and documentation as specifically described below, which updates shall reflect any material changes in such information and documentation:

(a) An inventory of all Hazardous Substances that Tenant receives, uses, handles, generates, transports, stores, treats, or disposes of from time to time, or at the time of preparation of such inventory proposes or expects to use, handle, generate, transport, store, treat, or dispose of from time to time, in connection with its operations at the Premises. Such inventory shall include, but shall separately identify, any: (i) any waste listed as or meeting the identified characteristics of a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under any applicable Environmental Laws; (ii) any and all substances and materials defined or referred to as a "medical waste," "biological waste," "biomedical waste," "biohazardous waste," "biohazardous material," or any other term of similar import under any Environmental Laws (including, without limitation, Section 381.0098, Florida Statutes, and any regulations promulgated thereunder, as amended from time to time) (collectively, "**Biohazardous Materials**"); or (iii) any and all substances and materials the receipt, storage, use, generation, release, transportation, treatment, or disposal of which requires an approval, consent, permit, or license from the Nuclear Regulatory Commission, and any and all other substances and materials defined or referred to as

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"radiation," a "radioactive material," or "radioactive waste," or any other term of similar import under any applicable Governmental Requirements (including, without limitation, any statutes, regulations, or other laws administered, enforced, or promulgated by the Nuclear Regulatory Commission). Such inventory shall include, for each type of Hazardous Substance listed: (1) the chemical name; (2) the material state (e.g., solid, liquid, gas, or cryogen); (3) the concentration levels; (4) the storage amount and storage condition (e.g., in cabinets or not in cabinets); (5) the use amount and use condition (e.g., open use or closed use); (6) the location (e.g., room number or other identification); and (7) if known, the chemical abstract service number. If such inventory includes any Biohazardous Materials, Tenant shall also disclose in writing to Landlord the Biosafety Level designation associated with the use of such materials. Such inventory shall be updated annually, in January of each calendar year.

(b) Copies of all then existing permits, licenses, registrations, and other similar documents issued by any governmental or quasi-governmental authority that authorize any receipt, storage, use, generation, release, transportation, treatment, or disposal of Hazardous Substances in, on, or about the Premises or the Project by any Tenant Party. Such information shall be updated annually in January of each calendar year.

(c) All Material Safety Data Sheets ("MSDSs"), if any, required to be completed with respect to operations of Tenant at the Premises from time to time in accordance with 42 U.S.C. Section 11021, or any amendments thereto, and any Hazardous Substances Inventory Sheets that detail the MSDSs. Such information shall be updated annually upon Landlord's written request.

(d) All hazardous waste manifests, if any, that Tenant is required to complete from time to time in connection with its operations at the Premises. Such information shall be updated from time to time upon Landlord's written request.

(e) Copies of any other lists, reports, studies, or inventories of Hazardous Substances or of any subcategories of materials included in Hazardous Substances that Tenant is otherwise required to prepare and file from time to time with any governmental or quasi-governmental authority in connection with Tenant's operations at the Premises (including, without limitation, reports filed by Tenant with the Federal Food & Drug Administration or any other regulatory authorities primarily in connection with the presence (or lack thereof) of any "select agents" or other Biohazardous Materials on the Premises), together with proof of filing thereof as available (which proof may be provided in the form of receipt or proof of signature provided by an overnight shipper unless other formal proof of filing from the receiving party is readily available). Such information shall be updated from time to time upon Landlord's written request.

(f) Any other information reasonably requested by Landlord in writing from time to time in connection with: (i) Landlord's monitoring (in Landlord's reasonable discretion) and enforcement of Tenant's obligations under this Section and of compliance with applicable Governmental Requirements in connection with any receipt, storage, use, generation, release, transportation, treatment, or disposal of Hazardous Substances in the Premises or Building or on or about the Project by any Tenant Party; (ii) any inspections or enforcement actions by any Governmental Authority pursuant to any Environmental Laws or any other Governmental Requirements relating to the presence or receipt, storage, use, generation, release, transportation, treatment, or disposal of Hazardous Substances in the Premises or Building or on or about the Project by any Tenant Party; and (iii) Landlord's preparation (in Landlord's discretion) and enforcement of any reasonable rules and procedures relating to the presence or receipt, storage, use, generation, release, transportation, treatment, or disposal by Tenant or any Tenant Party of Hazardous Substances in the Premises or Building or on or about the Project, including (but not limited to) any contingency plans or emergency response plans. Such information shall be updated from time to time upon Landlord's written request.

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G-2

1.3. Rights Related to Enforcement Actions. Notwithstanding the provisions of Section 23 of the Lease, if (i) Tenant or any proposed transferee, assignee, or sublessee of Tenant has been required by any prior landlord, lender, or Governmental Authority to take material remedial action in connection with Hazardous Substances contaminating a property if the contamination resulted from such party's action or omission or use of the property in question; or (ii) Tenant or any proposed transferee, assignee, or sublessee is subject to a material enforcement order issued by any Governmental Authority in connection with the use, disposal, or storage of Hazardous Substances, then Landlord shall have the right to terminate the Lease in Landlord's sole and absolute discretion (with respect to any such matter involving Tenant), and it shall not be unreasonable for Landlord to withhold its consent to any proposed transfer, assignment, or subletting (with respect to any such matter involving a proposed transferee, assignee, or sublessee).

1.4. Landlord's Testing Rights. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Project or any portion thereof to demonstrate that Hazardous Substances are present or that contamination has occurred due to the acts or omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Substances exist at the Project in violation of the Lease.

1.5. Storage Tanks. If underground or other storage tanks storing Hazardous Substances installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Governmental Requirements. Tenant shall have no responsibility or liability for underground or other storage tanks installed by anyone other than Tenant unless Tenant utilizes such tanks, in which case Tenant's responsibility for such tanks shall be as set forth in this Section.

1.6. Laboratory Decommissioning. Prior to the expiration or earlier termination of the Term, Tenant shall clean and otherwise decontaminate and decommission all interior surfaces (including floors, walls, ceilings, and counters); piping, supply lines, waste lines, and plumbing in or serving the Premises; and all exhaust or other ductwork in or serving the Premises, in each case that has carried, released, or otherwise been exposed to any Hazardous Substances, and shall otherwise clean the Premises so as to permit the report hereinafter called for by this Exhibit "G" to be issued. Not later than thirty (30) days after the expiration or earlier termination of the Term, Tenant, at Tenant's expense, shall obtain for Landlord a report addressed to Landlord (and, at Tenant's election, Tenant) by a reputable, licensed environmental engineer or industrial hygienist that is designated by Tenant and acceptable to Landlord in Landlord's reasonable discretion, which report shall be based on such environmental engineer's or industrial hygienist's inspection of the Premises and shall state, to Landlord's reasonable satisfaction, that: (i) the Hazardous Substances, to the extent existing prior to such decontamination and decommissioning, have been removed in accordance with Legal Requirements and best industry practices, including, without limitation, the applicable standards of the American National Standards Institute including ANSI standard BSR/AIHA Z9.11-2008 governing laboratory decontamination and decommissioning (the "**Laboratory Decommissioning Standard**"); (ii) all Hazardous Substances, if any, have been removed in accordance with applicable Legal Requirements and best industry practice including, without limitation, the Laboratory Decommissioning Standard, from the interior surfaces of the Premises (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing, and all such exhaust or other ductwork in the Premises may be reused by Landlord in compliance with Legal Requirements without incurring special costs on account of such Hazardous Substances or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning, or removal of such Hazardous Substances and without giving notice to any Governmental Authorities in connection with such Hazardous Substances; and (iii) the Premises may be reoccupied for office or laboratory use, demolished or renovated without incurring special costs on account of such Hazardous Substances or undertaking special procedures for disposal, investigation, assessment,

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cleaning, or removal of Hazardous Substances and without giving notice to any Governmental Authorities in connection with Hazardous Substances. Further, for purposes of this Exhibit "G," "special costs" or "special procedures" means costs or procedures, as the case may be, that would not be incurred but for the nature of the substances as Hazardous Substances as distinguished from non-Hazardous Substances. The report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run, and the analytic results. The obligation to provide said report shall survive the termination or expiration of this Lease.

1.7. Landlord Cure Right. If Tenant fails to perform its obligations under this Section 1 of this Exhibit "G," then without limiting any other right or remedy, Landlord may, on five (5) Business Days' prior written notice to Tenant, perform such obligations at Tenant's expense, and Tenant shall within ten (10) days following demand reimburse Landlord for all reasonable out-of-pocket costs and expenses incurred by Landlord in connection with such work.

1.8. Remediation. if the presence of any Hazardous Substances in, on, under, or about the Project, any portion thereof, or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Project, any portion thereof, or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Project, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided, however, that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Project, any portion thereof, or any adjacent property.

2. Odors and Exhaust. Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant gave Landlord reasonable assurances that other occupants of the Building or the Project (including persons legally present in any outdoor areas of the Project) will not be subjected to an Odor Nuisance (as defined below) and that the Building and the Project will not be damaged by any exhaust, in each case from Tenant's operations in the Premises. Landlord and Tenant acknowledge, however, that the nature of the Use may result in certain odors and fumes, which will be abated in accordance with this Section 2. Landlord and Tenant therefore agree as follows:

2.1. Tenant shall not knowingly cause or conduct any activities that would cause an Odor Nuisance. For purposes hereof, an "**Odor Nuisance**" means any release of any offensive or noxious odors or fumes from the Premises, which release either creates a nuisance or materially and adversely impacts any portion of the Building, the Project, or the use of any portion of the Building or Project by Landlord or other tenants.

2.2. Ventilation equipment for the Premises shall be designed and constructed as part of the Leasehold Improvements. Such ventilation equipment shall be designed in compliance with Revised ANSI/ASSE Z9.5-2012, Standard for Laboratory Ventilation, and otherwise as necessary to be adequate, suitable, and appropriate to vent the Premises in a manner that will prevent an Odor Nuisance, and Tenant shall vent the Premises through such system. If an Odor Nuisance exists at any time, Tenant shall, in compliance with Governmental Requirements, make any changes to the ventilation system which Tenant determines are necessary to abate the Odor Nuisance. The placement and configuration of all ventilation exhaust pipes, louvers, fume hoods, and other equipment to be installed by Tenant shall be subject to Landlord's approval.

2.3. Tenant acknowledges Landlord's legitimate desire to maintain the Project (including both its indoor and outdoor areas) in a manner reasonably free of any Odor Nuisance and Landlord may require

Tenant to abate any such Odor Nuisance in a reasonable manner that goes beyond the requirements of Governmental Requirements in accordance with Section 2.6 below.

2.4. If at any time during the Term Landlord receives complaints from other tenants or occupants of the Building or Project of an Odor Nuisance, Landlord and Tenant will cooperate promptly and reasonably in order to satisfactorily resolve any odor issues. In such event, Tenant shall, to the extent permitted by law, at Tenant's cost and expense, use commercially reasonable efforts to install odor eliminators and other devices (such as filters, air cleaners, scrubbers, and similar equipment) to remove, eliminate, and abate any Odor Nuisance.

2.5. Tenant's responsibility to remove, eliminate, and abate any Odor Nuisance shall continue throughout the Term. Landlord's approval of the Leasehold Improvements shall not preclude Landlord from requiring additional measures to eliminate any Odor Nuisance.

2.6. If after Tenant has implemented measures pursuant to Section 2.3 and if such measures have failed to abate the Odor Nuisance, then Landlord shall notify Tenant what additional measures Landlord requests Tenant to undertake to abate the Odor Nuisance. If Tenant fails to take such measures or otherwise abate the Odor Nuisance within ten (10) Business Days after Landlord has notified Tenant of the requested measures (the "**Odor Cure Period**"), then, Landlord may, without limiting Landlord's other rights and remedies and upon twenty-four (24) hours' notice to Tenant, purchase and install such odor control equipment within the Premises or other areas of the Building as are contained in Landlord's prior notice; provided that such corrective work will be completed in, on, or to the ventilation system. Notwithstanding the foregoing, if Tenant's installation of requested odor control equipment cannot be completed within the Odor Cure Period as a result of order lead time for items such as filters, air cleaners, scrubbers, and similar equipment, then Landlord shall not purchase and install odor control equipment in accordance with this Section so long as Tenant has ordered the lead time items within the Odor Cure Period and thereafter diligently prosecutes the installation of such equipment to completion.

3. Limitations on Landlord's Services. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents, and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom, or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Proportionate Share of the Operating Costs in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

4. Insurance and Waiver of Claims.

4.1. In addition to those coverages required to be maintained by Tenant pursuant to Section 26 of the Lease, Tenant shall, at its expense, at all times during the Term hereof, carry pollution and environmental liability insurance covering the environmental risks of Tenant's business and use of the Premises with limits of not less than One Million Dollars (\$1,000,000) per incident and not less than Five Million Dollars (\$5,000,000) in the aggregate, with respect to environmental contamination and pollution of the Premises caused by Tenant. Such environmental coverage shall include bodily injury, sickness, disease, death, or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges, and expenses incurred in the investigation, adjustment, or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids

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or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere, or any watercourse or body of water.

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G-6

EXHIBIT "H"

CLIENT SUBLEASE STANDARDS

1. Each Client sublease shall be upon the form attached hereto as **Exhibit H-1** and shall include the addendum attached to that form as Exhibit "D".
2. Any Client sublease entered into by Tenant on a form other than **Exhibit H-1** or not including the aforementioned Exhibit "D", or the modification of any such sublease or Exhibit "D" without the consent of Landlord, shall be a default of Tenant under this Lease.

EXHIBIT "H-1"

CLIENT SUBLEASE FORM



UNIVERSITY OF CENTRAL FLORIDA
BUSINESS INCUBATION PROGRAM

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") entered into this _____, by and between THE UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES, ("UCF") whose address for the purposes of this Sublease is 12201 Research Parkway, Suite 501, Orlando, FL. 32826 ("Landlord") and _____, a _____, whose address is _____ ("Subtenant").

WHEREAS, the State of Florida, through annual recurring state appropriations, will be funding the establishment and operation of the UCF Lake Nona Life Sciences Incubator Site on the UCF Lake Nona campus, with express dedication to economic development through support of collaborating companies;

WHEREAS, the Landlord has entered into a Lease (the "Primary Lease") with the Lake Nona Innovation Center I, LLC ("Primary Landlord") to locate the UCF Lake Nona Life Sciences Incubator Site in a portion of a building (the "Primary Premises") located at 9801 Lake Nona Road, Orlando, FL 32827 ("Building"); and

WHEREAS, Subtenant is a company collaborating with UCF, specifically as a client of the UCF business incubation program.

WITNESSETH:

1. PROPERTY SUBLEASED

(a) The Landlord, for and in consideration of the rents, covenants and agreements hereinafter specified to be paid, kept and performed by the Subtenant, hereby subleases to the Subtenant and the Subtenant hereby subleases from the Landlord the space located in the Primary Premises, at the University of of Central Florida Lake Nona Life Sciences Incubator Site, and more specifically identified as Room _____, ("Subleased Premises" or "Premises").

(b) Special Use Addendum (is) (is not) attached hereto as Exhibit "C". The Special Use Addendum is incorporated herein by reference if designated as attached hereto.

(c) Primary Lease Addendum is attached hereto as Exhibit "D", and is incorporated herein by reference.

2. USE OF PREMISES

(a) The Subtenant shall have the exclusive right to possession of the Subleased Premises during the term of this Sublease (excepting any space designated per the Special Use Addendum).

(b) Subtenant will be provided with access to the Premises through the Building, and the use and occupation by Subtenant of the Subleased Premises shall include the nonexclusive use, in common with others entitled thereto, of the Common Areas, as defined herein, and other facilities as may be designated from time to time by Landlord, subject, however, to the terms and conditions of this Sublease and the reasonable nondiscriminatory rules and regulations for the use thereof as prescribed from time to time by Landlord. Subject to the terms of this Sublease, all Common Areas shall at all times be subject to the exclusive control and management of Primary Landlord. Primary Landlord shall have the right to temporarily close all or any portion of the Common Areas to such extent as may, in the reasonable opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; and to close temporarily any portion thereof in connection with the completion of necessary repairs thereto, and except as otherwise expressly provided herein, Subtenant shall not be entitled to any compensation, damages, or diminution or abatement of Rent, nor shall same be deemed a constructive or actual eviction. Subject to the terms of the Primary Lease, "Common Areas" shall mean the following areas: any areas in the Building devoted to shared lobbies, hallways, elevators, rest rooms, janitorial closets, mailrooms, vending areas and other similar facilities provided for the common use or benefit of tenants generally and/or for the public located in the Building (but shall not include any such areas designated for the exclusive use or benefit of a particular tenant, including Subtenant); and those portions of the Building and adjacent land which are provided and maintained for the common use and benefit of Landlord and tenants of the Building only and employees and invitees and licensees of Landlord and such tenants; including, without limitation, all atriums, walkways, parking areas, and all streets, sidewalks and landscaped areas comprising same.

(c) The Subleased Premises shall be used and occupied only as office space, unless laboratory or other special use is specified in Special Use Addendum. However, the Subleased Premises shall not be used for medical offices or clinics. Subtenant agrees not to use or permit the use of the Subleased Premises for any purpose which is illegal, dangerous to life, limb, or property or which, in Landlord's reasonable opinion, creates a nuisance. Further, and notwithstanding any other provision herein to the contrary, Subtenant shall make no use of the Subleased Premises which violates or is prohibited by any restrictive covenant affecting the Premises. Subtenant shall not commit or suffer to be committed any waste upon the Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Project.

(d) Subtenant agrees to maintain the Subleased Premises in good condition and repair during the term of this Sublease to the reasonable satisfaction of Landlord. In the event, that Subtenant fails to perform such maintenance, Landlord shall have the right to enter into the Subleased Premises and perform such maintenance, and Subtenant shall reimburse Landlord for the cost thereof immediately upon demand.

(e) Landlord's right of entry set forth in this Section 2(e) shall be subject to applicable federal security restriction obligations of Subtenant, if any, relative to any portion of the Premises. The Landlord shall have a right to enter the Premises, to examine the same, and to show them to prospective purchasers or lenders of the Building. Upon reasonable prior notice (except in the case of an emergency), Landlord, Landlord's agents, Primary Landlord and Primary Landlord's agents shall have the right during or outside of Normal Business Hours to enter the Premises to make such repairs, alterations, improvements or additions as required under this Lease or the Primary Lease or as Landlord may reasonably deem necessary or desirable, and upon reasonable prior notice and reasonable coordination with Tenant, Landlord shall be allowed to take all material into and upon the Premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the Rent reserved shall not abate while said repairs, alterations, improvements, or additions are being made unless Tenant is prevented from operating in the Premises, in which event Fixed Annual Rent and all other charges shall be proportionately abated

during said period. Upon reasonable prior notice, during the six (6) months prior to the expiration of the Term of this Sublease, Landlord may during Normal Business exhibit the Premises to prospective tenants. Landlord and its agents shall have access to the Subleased Premises at any time without prior notice in the event of an emergency.

(f) The Landlord reserves the right from time to time to make, modify, and revoke reasonable rules and regulations applicable to the Premises, which rules shall be in addition to those required under the Primary Lease. The Subtenant agrees to abide thereby. Making rules, modifications, or revocation of existing or additional rules, shall not be deemed an amendment of this Sublease; but the same shall be effective upon notice thereof to Subtenant by Landlord and the Subtenant's failure to comply therewith shall be a default under this Sublease. The initial rules and regulations are attached hereto as Exhibit "A", and further rules and regulations are available at www.regulations.ucf.edu and www.policies.ucf.edu, without limitation, including Facilities and Safety (Policy 3-100 through 3-400.1 respectively), all deemed incorporated herein by reference. Notice shall be deemed to have been provided to Subtenant by the posting of same at www.regulations.ucf.edu and/or www.policies.ucf.edu. The rules and regulations shall not be applied in a discriminatory manner to Subtenant, nor shall any of the rules and regulations be inconsistent with the rights of Subtenant under this Sublease.

3. ALTERATIONS BY SUBTENANT

(a) The Subtenant shall make no alterations in or additions to the Subleased premises without the prior written consent of the Landlord, and without providing to Landlord confirmation of Subtenant's property insurance for such improvements. All permanently affixed decorations, additions, improvements or other alterations to the Premises, except for the subtenant's property, shall, unless Landlord and subtenant agree otherwise in writing, become the property of Lake Nona Innovation Center I upon the expiration of this Sublease, and shall be surrendered with the Premises at the expiration of this Sublease. Landlord shall have the right to designate at the time of its approval of any request by Subtenant for permission to make alterations to the Premises those items for which Landlord reasonably reserves the right to require subtenant to remove upon the expiration of or sooner termination of this Sublease. Any such designation shall be in Landlord's reasonable discretion. If required by Landlord in accordance with the foregoing, any such alteration to the Premises shall be removed at Subtenant's expense upon the expiration of or sooner termination of this Sublease and Subtenant, at its expense, shall also repair any damage to the Premises caused by such removal and shall restore the affected portions of the Premises to a tenantable whole, reasonable wear and tear, casualty, condemnation and acts of nature excepted.

(b) Nothing contained in this Sublease shall be construed as a consent on the part of Landlord to subject the estate of Landlord to liability under the Construction Lien Law of the State of Florida, it being expressly understood that Landlord's estate shall not be subject to such liability. Subtenant shall strictly comply with the Construction Lien law of the State of Florida, as set forth in Chapter 713, Florida Statutes. Notwithstanding the foregoing, Subtenant, at its expense, shall cause any lien filed against Subtenant's or Landlord's or Primary Landlord's interest under this Sublease, the Premises, the Primary Premises, the Building or the Common Areas for work, services or materials contracted by Subtenant to be satisfied or transferred to bond within twenty (20) days after Subtenant's receipt of written notice of the filing of such lien. In the event that Subtenant fails to satisfy or transfer to bond such claim of lien within said twenty (20) day period, Landlord may do so and thereafter charge Subtenant as additional rent, all costs incurred by Landlord in connection with the satisfaction or transfer of such claim, including attorneys' fees through all levels of appeals plus interest thereon. In accordance with applicable laws of the State of Florida, Landlord may file in the public records of Orange County, Florida, a public notice containing a true and correct copy of this paragraph, and Subtenant hereby agrees to inform all contractors, and material suppliers performing work in or for or supplying materials to the Premises of the existence of said notice.

(c) Subtenant shall (unless otherwise directed by Landlord) prior to the end of this Sublease and at Subtenant's sole cost and expense, remove all lead or other specialty construction materials used in any radiological vaults, exam or treatment rooms in the Premises through consultants appropriately qualified and licensed to remove and dispose of any such materials and such removal and disposal shall be in compliance with all applicable Governmental Requirements.

(d) It is understood and agreed between the parties that Subtenant shall, if not in default hereunder, prior to the expiration of this Sublease or any extension thereof, subject to Section 3(a), have the right to remove from the Subleased Premises all personal property and all fixtures, machinery, equipment, appurtenances and appliances placed or installed on the Subleased Premises by Subtenant, unless otherwise agreed to in writing by the parties, provided that Subtenant restores the Sublease premises to as good a state of repair as it was prior to the removal, normal wear and tear excepted. However, Landlord shall have at all times a valid first lien for all rents or other sums of money due or to become due hereunder from the Subtenant, securing the performance of the Subtenant of each and all of the covenants, agreements, and conditions hereof upon all the personal property of the Subtenant from time to time situated in the Subleased Premises. If Landlord's statutory lien for rent is not waived, the express contractual lien herein granted shall be in addition and supplementary thereto. If Subtenant shall fail to remove all of its effects from the Subleased Premises upon termination of this Sublease for any cause whatsoever, Landlord may, at its sole option, (1) remove same in any manner that the Landlord shall choose, store said effects without liability to Subtenant for loss thereof, and Subtenant agrees to pay Landlord on demand any and all expense incurred in such removal, including court costs, attorney's fees and storage charges on such effects for any length of time same shall be in Landlord's possession, or (2) without notice sell said effects or any part of same at a private sale and without legal process for such price as Landlord may obtain, and apply the proceeds of such sale upon amounts due under this Sublease from Subtenant to the Landlord and upon the expense incident to the removal and sale of said effects.

4. TERM AND POSSESSION

(a) This Sublease term shall commence on _____, and shall continue for the period of one year from the date of commencement, unless otherwise terminated or extended as herein provided.

(b) Possession of the Subleased Premises shall be given on the date this Sublease term commences.

(c) At the expiration or termination of the Sublease term, Subtenant shall peaceably yield up to the Landlord the Subleased Premises in good and Subtenantable repair, broom-swept clean, and Subtenant shall remove its property in accordance with the terms of this Sublease.

5. RENT

(a) The Rent, in the amount of \$ _____ a month, shall be paid to and received by Landlord at the address provided below on the first day of the month, unless Landlord designates otherwise. The Rent for the Subleased Premises shall be paid without abatement, deduction or set off for any reason.

(b) In addition to the Rent, monthly 6.5% gross sales tax in the amount of \$ _____ shall be paid to Landlord at the same time and location.

(c) Electricity, internet, water, wastewater, and trash collection for normal office use is provided for the Subleased Premises at no additional cost; however, Subtenant expressly waives any claim and agrees that Landlord shall have no liability regarding any loss of any such utility service, including

without limitation water and electrical power for any reason and shall have no obligation to provide emergency backup power or water. Additional fees related to laboratory hazardous waste management activities, as applicable, are set forth in the Special Use Addendum, if attached hereto as Exhibit "C". Additional services provided to, and obligations of Subtenant as a client of the UCF Business Incubator, are attached hereto as Exhibit "B", and incorporated herein.

(d) A security deposit equivalent to one (1) month's rent, in the amount of \$ _____, is due upon signing Sublease. It is understood that this is a security deposit and at no time shall be considered a rent payment. This deposit shall be returned within thirty (30) days of compliance with Article 4(b), unless it is deemed necessary by Incubator management to retain part or all of the deposit to cover cleaning and/or repairs needed in the space vacated by the Subtenant, to the extent permitted by law.

6. OPTION TO RENEW

(a) Subject to Article 6(b), at the end of the primary term stated in Article 4(a), Subtenant shall, upon Landlord's written approval, have the right and option to renew this Sublease for an additional one-year term upon the same conditions as are contained in this Sublease, provided, however, that Subtenant shall be then current in the payment of rent and any other amounts due hereunder. The Landlord retains the right to review and adjust the rental charges. In no event shall the adjustment for any one year be less than five percent (5%) or greater than seven (7%) over the rent for the then current year, nor shall base rent be decreased from a prior year, regardless of adjustment.

(b) Landlord retains the express right to terminate this Sublease within thirty (30) days after the final day of the 2019 Florida Legislative Session, or to deny renewal of this Sublease, if Landlord terminates the Primary Lease due to non-receipt of certain recurring appropriations by the Florida Legislature during either the 2017, 2018, or 2019 State of Florida Legislative Session.

7. LIMITS OF REPRESENTATIONS

Neither Landlord nor Landlord's agents have made any representations, warranties or promises with respect to the Subleased Premises or this Sublease, except as expressly set forth in this Sublease. Subtenant acknowledges that Landlord has made no representations or promises as to the condition of the Premises other than as set forth in this Lease, nor shall Landlord be required to construct any alterations or improvements to the Premises, except as expressly set forth in this Lease.

8. ASSIGNMENT

Subtenant may not assign this Sublease or any interest there under, or sublet the Subleased premises or any part thereof, or permits the use of the Subleased Premises by any party other than the Subtenant.

9. ASSISTANCE

The Subtenant shall permit the Landlord, or its designee, to erect, use, maintain and repair pipes, cables, conduit, plumbing, vents and wires in, to and through the Subleased Premises, as to the extent the Landlord may now or hereafter deem to be necessary or appropriate for the proper operation or maintenance of the Primary Premises or in connection with easements granted hereunder. All such work shall be done so far, as is practicable, and in such manner as to avoid interference with the Subtenant's use of the Subleased premises. Subtenant agrees to report immediately to the Landlord any defective condition in or about the Subleased premises.

10. GOVERNMENTAL REQUIREMENTS AND COMPLIANCE

(a) Subtenant agrees, at its own expense, to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Subtenant's occupancy and use of said Subleased Premises, including, but not limited to, all health, safety and fire codes and regulations of the University of Central Florida, the State of Florida and the County of Orange, and with any and all other applicable law, statute, code, rule, regulation, ordinance, order, authorization, registration, or other direction or requirement of any federal, state, county, municipal, or other governmental, governmental department, commission, board, bureau, court, agency, or instrumentality having jurisdiction or authority over Landlord and/or Subtenant. Subtenant, at its sole expense, shall obtain all required licenses or permits for conduct of business within the terms of this Sublease, and Landlord, where necessary but at its sole discretion, may join with Subtenant in applying for such licenses or permits. Subtenant shall, on Landlord's request, provide proof that all required licenses and permits have been obtained. If any governmental license or permit shall be required for the proper and lawful conduct of Subtenant's business in the Premises, Subtenant shall, at its expense, duly procure and thereafter maintain such license or permit and shall at all times comply with the terms and conditions of same.

(b) Landlord and Subtenant acknowledge that there are certain Federal, State, and local laws, regulations, and guidelines now in effect, and that additional laws, regulations, and guidelines may hereafter be enacted relating to, or affecting the Subleased Premises and the Building and larger parcel of land of which the Subleased Premises may be a part, and concerning the impact on the environment of construction, land use, maintenance, and operation of the structures and the conduct of activities. Subtenant will not cause, or permit to be caused, any act or practice, by negligence, omission, or otherwise that would adversely affect the environment or do anything or permit anything to be done that would violate any of said laws, regulations, or guidelines. Subtenant shall be responsible for permitting, and at the sole discretion of UCF, shall assist UCF in obtaining permits on Subtenant's behalf, for the transportation, use, and disposal of any Hazardous Materials brought onto the premises by Subtenant or produced by any activity of Subtenant. Subtenant shall consult with UCF Environmental, Health and Safety to establish, or cause to be established and/or implemented, such safety and monitoring procedures as are necessary to ensure compliance with all Federal, State, and local laws, regulations, and guidelines. "**Hazardous Material or Hazardous Substance**" shall mean any flammables, explosives, radioactive material, hazardous wastes, hazardous or toxic substances or related materials, asbestos or any material containing asbestos, medical waste, special and infectious waste, biological materials (including without limitation blood and blood products), electromagnetic fields, mold and chemicals known to cause cancer or reproductive toxicity, or any other substance or material as defined in any federal, state or local environmental governmental requirement, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 42 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq.; the regulations of the Occupational Safety and Health Administration, 29 C.F.R. § 1910.1001; the National Emission Standard for Hazardous Air Pollutants, 40 C.F.R. Part 61, Subpart M; and the regulations adopted in publications promulgated pursuant to each of the foregoing (collectively, the "Environmental Laws").

(c) Subtenant shall not bring or keep, or permit to be brought or kept (except for those substances, materials, and wastes typically used in connection with and generated by research activities being conducted within the Premises consistent with the terms of this Sublease and in accordance with applicable Governmental Requirements) any flammable, combustible, or explosive fluid, material, chemical, or substance in or about the Premises. Neither Subtenant nor its agents, employees, contractors, clients, assignees, and invitees will use the Premises, or any portion thereof, in a manner which causes any Hazardous Substance to be released, and will not release (as hereinafter defined) any Hazardous Substance, in, on, beneath, at or about the Premises, or any portion thereof, including, without limitation, into the

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atmosphere, soil or groundwater thereof. If Subtenant or its agents, employees, contractors, clients, assignees or invitees or any other person or entity during the term of this Sublease causes or permits the spilling, leaking, pumping, pouring, emitting, discharging, injection, escaping, leaching, dumping, or disposing in, on, beneath, at or about the Premises, including, without limitation, into the interior spaces, building materials, equipment, atmosphere, soil, parking lots or groundwater thereof (each such event or occurrence being a "release") of any Hazardous Substance, Subtenant, upon knowledge thereof, shall immediately notify Landlord in writing of such release. Upon knowledge of a Hazardous Substance release by Subtenant or its agents, employees, contractors, clients, assignees, or invitees, Subtenant will immediately commence, diligently conduct and complete the investigation, assessment, clean-up and remediation of each such release of Hazardous Substances, and take all such other action, as may be necessary or required by the Governmental Requirement, all at Subtenant's sole cost and expense.

(d) Subtenant shall not pour or otherwise dispose of any chemical, chemical waste, chemical by-products, or other such material, through the drainage (plumbing) system of the Premises other than customary cleaning fluids. This representation by Subtenant is a material inducement to Landlord to enter into this Sublease, and without such inducement, Subtenant acknowledges that Landlord would not have to entered into this Sublease agreement. Accordingly, Subtenant's breach of this agreement shall be deemed a material default under this Sublease, entitling Landlord to exercise any and all of its rights for Tenant's default.

(e) Landlord reserves the right to inspect the Subleased Premises from time to time to insure Subtenant's compliance with this covenant and any violation of this covenant shall be an event of default under this Sublease. Landlord's right of inspection is not intended and shall not be deemed as an obligation of Landlord, nor shall Landlord bear any liability for Subtenant's non-compliance or violation of the covenant, irrespective of Landlord's inspection. Subtenant shall have no claim against Landlord by reason of any changes Landlord may make in the Premises pursuant to said laws, regulations, or guidelines. In the event the Special Use Addendum is attached hereto as Exhibit "C", Subtenant shall execute a Hazardous Waste Management Agreement, as further defined in the Special Use Addendum.

(f) Subtenant agrees to cooperate with Landlord to ensure use of and access to the Subleased Premises complies with applicable federal requirements, including technologies restricted by the International Traffic & Arms Regulations (ITAR).

(g) Subtenant hereby (i) agrees to comply with The Economic Espionage Act (EEA) of 1996, 18 U.S.C. §1831-1832, (ii) agrees and verifies that Subtenant, its agents, servants or employees, or any other persons entering upon the Subleased Premises under express or implied invitation will not target, acquire, or misappropriate any trade secret nor any other proprietary or confidential information of UCF for the benefit of any foreign government, foreign instrumentality, foreign agent, or any other third party, and (iii) agrees that the signature execution below confirms that any violation of this provision shall be deemed an intentional and knowing act.

(h) Landlord, at its sole option, may review Subtenant activities that may result in an export or sanctioned transaction, and Subtenant shall cooperate and comply with any such review. Nothing in this Sublease shall be construed or interpreted to obligate Landlord in any manner regarding compliance of the activities of Subtenant.

(i) In no event shall Subtenant's employees, guests, visitors or other invitees loiter in the Building or sidewalks adjoining the Building or disturb other occupants at the Building.

(j) In no event shall the Premises be used in any manner which might unreasonably expose anyone to breaches of safety, security, excess traffic or exposure to noxious or offensive fumes, odors, noises, nuisance or other harassment.

11. INDEMNITY AND INSURANCE

(a) Subtenant agrees to indemnify and hold the Landlord harmless from any and all claims, liabilities, judgments, damages or expenses, whether due to damage to the Subleased premises, claims for injury to the person or property of any other Subtenant of the Primary Premises or of any other person rightfully in or about the Building for any purpose whatsoever, for administrative or criminal acts and by any governmental agency, which injury, expense, damage or claim resulted either directly or indirectly from the negligence, misconduct or breach of any provision of this Sublease by the Subtenant, its agents, servants or employees, or of any other persons entering upon the Subleased premises under express or implied invitation. Subtenant further agrees to reimburse the Landlord for any cost or expense, including reasonable attorney's fees, which the Landlord may incur in investigating, handling or litigating any such claim by a third, person or any action by governmental authority.

(b) Subtenant agrees that all personal property brought into the Subleased Premises shall be at the risk of Subtenant only and that Landlord shall not be liable for theft thereof or any damage thereto, to the maximum extent permitted by law, irrespective of whether occasioned from any act of co-Subtenants or other occupants of said Building or any other person, or act of God, or any other peril, such as, without limitation, fire or sinkhole collapse.

(c) Subtenant hereby assumes responsibility for the condition of the Premises subsequent to the date of commencement, and agrees to give Landlord written notice in the event of any damage, defect or disrepair therein. Subtenant shall be responsible for the safety and security of Subtenant's employees and invitees upon or about the Premises. Subtenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to person in, upon or about the Premises, except to any extent arising from Landlord's negligence or willful misconduct. Subtenant shall give prompt notice to Landlord in case of casualty or accidents in the Premises.

(d) Subtenant shall, at its own expense, at all times during the term of this Sublease, maintain in force a policy or policies of insurance, written by one or more responsible insurance carrier, which will, by naming Landlord as an additional insured, protect Landlord against liability for injury to or death of persons or loss or damage to property occurring in or about the premises. The liability under such insurance shall not be less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and aggregate. Subtenant shall furnish a certificate, as evidence of such insurance, to Landlord at least annually and upon demand of Landlord. The proceeds of such insurance, so long as this Lease remains in effect.

(e) Subtenant at its expense shall comply with all requirements of the Board of Fire Underwriters, or any other similar body affecting the use of the Premises, and shall not use the Premises in a manner which shall increase the rate of fire insurance or other insurance of Landlord or of any other tenant, over that in effect as of the date of commencement of this Sublease. If Subtenant's use of the Premises increases the fire insurance rate or results in other increases in insurance coverage related to the Building, Subtenant shall reimburse Landlord for all such increased costs (provided that such reimbursement shall be equitably apportioned to the extent uses by other tenants/subtenants in the Primary Premises are also responsible for such increases).

(f) Subtenant shall maintain and keep in force all workers' compensation insurance required under the laws of the State of Florida, and such other insurance as may be necessary to protect Landlord

against any other liability of person or property arising hereunder by operation of law, whether such law is now in force or is adopted subsequent to the execution hereof.

(g) Should Subtenant fail, in breach of this Sublease, to keep in effect and pay for such insurance as it is in this Article 11 required to maintain, Landlord may, at its sole discretion, do so, in which event the insurance premiums paid by Landlord shall become due and payable forthwith and failure of Subtenant to pay same on demand shall constitute a separate breach of this Sublease. All hazard insurance obtained by Subtenant hereunder shall contain a provision by which the insurance company waives any right of subrogation it may have against Landlord. Nothing in this Article 11 shall be construed or interpreted as an obligation of Landlord to maintain any insurance required to be maintained by Subtenant in this Article 11.

(h) Notwithstanding anything to the contrary contained in this Lease, Landlord and Subtenant each hereby waives on behalf of itself and its insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action, against the other, or the other's directors, shareholders, partners, members, joint venturers, agents, officers, or employees, for any loss or damage that may occur to the Premises, the Building, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other causes which are, or could or should be insured against under the terms of the standard property insurance policies referred to in this Sublease, regardless of whether such insurance is actually maintained and regardless of the cause or origin of the damage involved, including negligence of the other party hereto, its directors, shareholders, partners, members, joint venturers, agents, officers, or employees. Landlord and Subtenant shall cause each of their respective property insurance policies hereunder to contain, or be endorsed with, a provision by which the insurer shall waive its right of subrogation against the other party hereto.

12. TERMINATION

(a) The Subtenant shall surrender the Premises to Landlord at the expiration or sooner termination of this Lease in good order and condition, except for reasonable wear and tear, casualty, condemnation and acts of nature.

(b) In the event that (i) the rent specified herein is not paid at the time and place when and where due, (ii) the Subleased Premises shall be deserted or vacated, (iii) the Subtenant shall fail to comply with any term, provision, condition or covenant of this Sublease, other than the payment of rent, or any of the rules and regulations now or hereafter established for the government of this Building, (iv) any petition is filed by or against Subtenant under any section or chapter of the United States Bankruptcy Code as amended, (v) Subtenant shall become insolvent or make a transfer in fraud of creditors, (vi) Subtenant shall make an assignment for the benefit of creditors, (vii) a receiver is appointed for a substantial part of the assets of Subtenant, and Subtenant shall not cure such defaults within ten (10) days after notice in the case of monetary default or thirty (30) days after notice in the case of non-monetary default, and upon the occurrence of any one or more of the foregoing, Landlord shall have the option to proceed according to one or more of the following courses of action in addition to any other remedies of law:

a. Terminate this Sublease, in which event Subtenant shall immediately surrender the Subleased Premises to Landlord, but if Subtenant shall fail to do so, Landlord may, without further notice and prejudice to any other remedy Landlord may have for possession or arrearages in rent, enter upon the Subleased Premises and expel or remove Subtenant and its effects, by force, if necessary, without being liable to prosecution or any claim for damages therefor, and Subtenant agrees to indemnify Landlord for all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the Subleased Premises, or through decrease in rent, or otherwise; and/or

b. Declare the entire amount of the rent which would become due and payable during the remainder of the term of this Sublease to be due and payable immediately, in which event, Subtenant agrees to pay the same at once, together with all rents due, at Landlord's address as provided herein; provided, however, that such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of the rent of the remainder of the said term. The acceptance of such payment by Landlord shall not constitute a waiver of any failure of Subtenant thereafter occurring to comply with any term, provision, condition or covenant of this Sublease; and/or

c. Enter the Subleased Premises as the agent of the Subtenant, by force if necessary, without being liable to prosecution or any claim for damages therefor, and relet the Subleased Premises as the agent of the Subtenant, and receive the rent therefor, and the Subtenant shall pay the Landlord any deficiency that may arise by reason of such reletting on demand at the office of the Landlord; and/or

d. As agent of the Subtenant, do whatever the Subtenant is obligated to do by the provisions of this Sublease and may enter the Subleased Premises, by force if necessary, without being liable to prosecution or any claim for damages therefore, in order to accomplish this purpose. The Subtenant agrees to reimburse the Landlord immediately upon demand for any expense which the Landlord may incur in thus effecting compliance with this Sublease on behalf of the Subtenant, and the Subtenant further agrees that the Landlord shall not be liable for any damages resulting to the Subtenant from such action, whether caused by the negligence of the Landlord or otherwise.

Pursuit by Landlord of any of the foregoing remedies shall not preclude the pursuit of any of the other remedies herein provided or any other remedies provided by law.

No act or thing done by the Landlord or its agents during the term hereby granted shall be deemed an acceptance or surrender of said Subleased Premises, and no agreement to accept a surrender of said Subleased Premises shall be valid unless the same be made in writing and subscribed by the Landlord. Neither the mention in this Sublease or any particular remedy the Landlord might have, either in law or in equity, nor the waiver of or redress for any violation of any covenant or condition in this Sublease contained, or any of the rules and regulations set forth herein, or hereafter adopted by the Landlord, shall prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. In case it should be necessary or proper for Landlord to bring any action under this Sublease, or to consult or place said Sublease, or any amount payable by Subtenant thereunder, with an attorney concerning or for the enforcement of any of Landlord's rights hereunder, then Subtenant agrees in each and any such case to pay to Landlord a reasonable attorney's fee. The receipt by the Landlord of rent with knowledge of the breach of any covenant in this Sublease contained shall not be deemed a waiver of such breach.

(b) Effect of Termination of Sublease. No termination of this Sublease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to the termination thereof

(c) Landlord may terminate this Sublease for cause in the event of an action of default by the Subtenant. In the event of termination for cause, the Subtenant shall vacate the premises within sixty (60) days of receiving notice of termination.

(d) If Subtenant neglects or fails to perform or observe any of its covenants herein contained, and such default shall continue for a period of sixty (60) days after receipt of Landlord's written notice thereof, then the Landlord lawfully may, without further notice or demand, enter into and upon the Premises, and repossess the same as their former estate. The Landlord may expel Subtenant and remove its effects

forcefully, if necessary, without being taken or deemed to be guilty of any manner of trespass and thereupon this Sublease shall terminate but without prejudice to any remedy which might otherwise be used by the Landlord for arrears of rent or for any breach of Subtenant's covenants herein contained. The Subtenant shall be responsible for any costs incurred under this paragraph.

(e) Either party may terminate this Sublease for convenience by providing thirty (30) days' written notice to the other party.

13. ABANDONMENT

Subtenant agrees not to abandon or vacate the Subleased Premises during the term of this Sublease without the prior written approval Landlord.

14. HOLDING OVER

In the event of holding over by Subtenant subsequent to the expiration or other termination of this Sublease, and without regard to Landlord's acquiescence or consent, Subtenant shall pay as liquidated damages for such holding over a monthly rent equal to double the monthly rent, payable immediately prior to such period. Additionally, during such holding over with Landlord's acquiescence, and without any express agreement of the parties, Subtenant shall be a Subtenant on a month-to-month basis, which tenancy shall be determined absolutely and without remedy upon thirty (30) days' written notice of such intent by either party. There shall be no renewal of this Sublease by operation of law.

15. EMINENT DOMAIN

If the whole of the Subleased Premises, or such portion thereof as will make the Subleased Premises unusable for the purposes herein sub-subleased, be condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the time when possession thereof is taken by public authorities, and rent shall be accounted for as between Landlord and Subtenant as of that date. Any lesser condemnation shall in no way affect the respective rights and obligations of Landlord and Subtenant hereunder. It is expressly agreed that Subtenant shall not have any right or claims to any award made to or received by Landlord for such taking. This Article 15 shall not impact any right of Subtenant to make independent claim for damages to which it may be entitled by law.

16. DESTRUCTION OR DAMAGED PREMISES

1. Subtenant shall not suffer any damage, waste or deterioration to occur to the Premises and shall, at Subtenant's expense, maintain the interior non structural portions of the Premises and the fixtures and appurtenances therein, and Subtenant's property, in good and sightly condition, and shall make all reasonable repairs necessary to keep them in good working order and conditions when those are necessitated by the negligence or willful misconduct of Subtenant or its agents, employees or invitees, reasonable wear and tear and acts of nature excepted. All repairs, replacements and restorations under this Article 16 made by Subtenant shall be equal in quality and class to the originals thereof and shall be completed in compliance with applicable law.

2. If the Subleased Premises are totally destroyed, or so substantially damaged as to be unSubtenantable, by storm, fire, earthquake, or other casualty, this Sublease shall terminate as of the date of such destruction or daamage, and rent shall be accounted for between Landlord and Subtenant as of that date. If the Subleased Premises are damaged but not rendered wholly unSubtenantable by any such casualty or casualties, rent shall abate in such proportion as the use of the Subleased Premises has been destroyed until Landlord has restored the Subleased Premises to substantially the same condition as before damage,

whereupon full rent shall commence. Nothing contained herein shall require Landlord to make such restoration, however, if not deemed advisable in Landlord's sole judgment. Landlord shall make its intentions to restore or not to restore said Subleased Premises to original condition known to Subtenant in writing within ninety (90) days of such occurrence. If Landlord decides against such reconstruction or fails to provide such notice, Subtenant may at its option cancel this Sublease.

3. Landlord reserves the right to relocate the Premises to other space within the Primary Premises by giving Subtenant prior notice of such intention to relocate. If within one (1) month after receipt of such notice Subtenant has not agreed with Landlord on the space to which the Premises are to be relocated, the timing of such relocation, and the terms of such relocation, then Subtenant shall have the right to terminate this Sublease with no further obligation. Subtenant shall arrange for the relocation of the Premises within sixty (60) days after a comparable space is agreed upon or selected by Landlord, as the case may be. In the event Subtenant fails to arrange for said relocation within the sixty (60) day period, Landlord shall have the right to arrange for the relocation of the Premises at Landlord's expense, all of which shall be performed in a manner designed to minimize unreasonable interference with Subtenant's business.

17. EASEMENTS

Landlord shall have the right to grant easements in the areas of the Subleased Premises for the installation of utilities including data and broadcast cable, provided the use of such easement areas for such purposes does not interfere substantially with the operation of Subtenant's business. Subtenant shall not be entitled to any compensation or abatement of rent for use of such easement areas.

18. PAST DUE RENT/LATE FEES

Rent shall be due as stated in Article 5 of this Sublease. Rent shall be considered "past due" fifteen days after the due date. If rent is "past due", interest shall be paid on the total outstanding rent balance at the rate of eighteen percent (18%) per annum, or the maximum permitted by law, whichever is less, from the date due until paid in full, which interest (on the entire outstanding balance) shall be immediately due and payable in full upon demand.

19. MISCELLANEOUS PROVISIONS

(a) Entire Agreement. This Sublease contains the entire agreement of the parties and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. This Sublease incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings concerning the subject matter hereof. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations, agreements or understandings, whether oral or written.

(b) Waiver. No failure of the Landlord to exercise any power given the Landlord hereunder, or to insist upon strict compliance by the Subtenant of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of the Landlord's right to demand exact compliance with the terms hereof. The remedies provided in this Sublease are cumulative and not exclusive of the remedies provided by law or in equity.

(c) Governing Law. This Sublease is governed by the laws of the State of Florida and any provisions herein, in conflict therewith, shall be void and of no effect. UCF is entitled to the benefits of sovereign immunity coextensive therewith, including immunities from taxation. Subtenant submits to the

personal jurisdiction of the State of Florida. Any actions arising out of this Sublease shall be brought exclusively in the courts located in Orange County, Florida.

(d) Notice. All notices required to be served upon the Subtenant shall be served by first class mail postage prepaid or hand delivered to Subtenant at the following address:

Name: _____
 Address: _____
 City/State: _____
 Zip Code: _____
 Attention: _____

All notices or payments required to be served upon Landlord shall be delivered by first class mail postage prepaid or hand delivered to Landlord, receipt requested at the following address:

Name: University of Central Florida
 Address: 4365 Andromeda Loop N
 PO Box 160119
 City/State: Orlando, FL
 Zip Code: 32816-0119

(e) Force Majeure. No default, delay or failure to perform on the part of the either party shall be considered a default, delay or failure to perform otherwise chargeable, hereunder, if such default, delay or failure to perform is due to causes beyond either party's reasonable control including, but not limited to, strikes, lockouts or inactions of governmental authorities; epidemics; acts of terrorism; war; embargoes; fire; earthquake; acts of God; or default of common carrier. In the event of such default, delay or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of the excused default, delay or failure to perform.

(f) Modifications. Neither this Sublease nor any of its terms may be changed or modified, waived, or terminated (unless as otherwise provided hereunder) except by an instrument in writing signed by an authorized representative of the party against whom the enforcement of the change, waiver, or termination is sought.

(g) Severability. If any clause or provision of this Sublease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Sublease, then and in that event, it is the intention fo the parties hereto that the remainder of this Sublease shall not be affected thereby, and it is also the intention fo the parties to this Sublease that in lieu of each clause or provision of this Sublease that is illegal, invalid, or unenforceable, there be added as part of this Sublease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable. If such invalid part is, in the sole determination of the Landlord, essential to the rights of both parties, Landlord has the right to terminate this Sublease on written notice ot Subtenant.

(h) No Partnership. Landlord does not, in any way or for any purpose, become a partner of Subtenant in the conduct of its business, or otherwise, or a member of a joint enterprise with Subtenant.

(i) Captions. The captions of each Article, paragraph, and heading hereof are added as a matter of convenience only and shall be considered to be of no effect in the construction of any provision(s) of this Sublease.

(j) Special Use Addendum. Insofar as any terms of the Special Use Addendum, if attached as Exhibit "C" hereto, conflict with the foregoing provisions, the terms of the Special Use Addendum shall control.

(k) Radon Gas. In accordance with the requirements of Florida Statutes Section 404.056(8), the following notice is hereby given to Tenant: "RADON GAS: RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH DEPARTMENT."

(l) Discrimination Not Permitted. Landlord and Subtenant for themselves, their successors and assigns covenant and agree that no person shall be excluded from participation in, denied benefits of, or otherwise subjected to unlawful discrimination in the use of the sub-subleased premises, the construction of any improvements thereon or the furnishing of services therein.

(m) OFAC Compliance. Subtenant represents and warrants to Landlord that (a) Subtenant nor any person or entity that directly owns a 25% or greater equity interest in it nor any of its officers, directors, or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order") signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (b) the Subtenant's activities do not violate the International Money Laundering Abatement and Financial Anti Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act") (i.e., Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"), and (c) throughout the Term of this Sublease, Subtenant shall comply with the Executive Order, the Money Laundering Act, and the Patriot Act.

(n) Time of Essence. Time is of the essence of this Sublease.

20. PRIMARY LEASE. Notwithstanding any other provision of this Sublease to the contrary, all of the rights of Subtenant under this Sublease are subject to the terms of the Primary Lease and any limitation on the rights of Landlord thereunder, and in the event of a conflict between the terms of this Sublease and the Primary Lease, the Primary Lease shall prevail. Further, no provision of this Sublease shall be deemed or effective to expand the rights of Landlord under the Primary Lease, or diminish the obligations of Landlord thereunder.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Sublease as of the day and year first above written,

Landlord:
University of Central Florida
Board of Trustees

Subtenant:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"

BUILDING RULES AND REGULATIONS

1. Subtenant shall not install any awnings or structure of any kind whatsoever on the exterior of the Building without the Landlord's written consent. Landlord's approval is not required for any signage of Subtenant wholly within the Premises, so long as such signage cannot be seen from the Common Areas or from anywhere outside of the Premises. Except as otherwise set forth herein, Subtenant shall not place any signs or other advertising matter or material on the exterior of the Building or anywhere upon the Common Areas.
2. Subtenant shall not connect any apparatus equipment or device to the water lines in the Building without first obtaining the written consent of the Landlord.
3. No electric powered machines or equipment shall be used by Subtenant in the Subleased Premises except personal computers and similar small office or laboratory machines (including, without limitation, computers, printers, fax machines and kitchen appliances) without specific written approval of Landlord. Installation and or use of any radiological or imaging equipment shall require Landlord's prior approval.
4. Subtenant shall not operate or permit to be operated any musical or sound producing instrument or device in the Subleased Premises, which may be heard outside the Subleased Premises. Subtenant shall not create or maintain a nuisance in the Premises nor make or permit any noise or odor or use or operate any electrical or electronic devices that emit loud sounds, air waves, or odors, that are reasonably objectionable to other tenants of this Building or any adjoining building or premises; nor shall the Premises be used for lodging or sleeping nor any immoral or illegal purpose that will violate any law, damage the Premises, or injure the reputation of the Building.
5. No articles deemed hazardous because of fumes, fire, or explosion shall be brought into the Building, unless otherwise agreed to in writing by Landlord.
6. Subtenant shall not bring or permit to be brought into the Building any animals or birds, other than service animals.
7. Subtenant will refer to Landlord all contractors or installation technicians prior to contracting for or beginning to render any services, including, but not limited to, installation of telephones, electrical devices and attachments, and installations of any and every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or other physical portions or services of the Building;
8. Subtenant assumes all risk of damage to any and all articles moved as well as injury to any person or property in such movement, and hereby agrees to indemnify Landlord against any loss resulting therefrom.
9. Landlord shall not be responsible for any lost or stolen property, equipment, money, or jewelry from the Subleased Premises or the public areas of the Building or grounds.
10. Landlord shall have the right to determine and prescribe the maximum weight and proper position of any heavy equipment, including safes, large file, etc., that are to be placed in the Building, and only those which, in the reasonable opinion of Landlord, will not do damage to the floors, structures or elevators may be moved into the Building.

11. Any damage occasioned in connection with the moving or installing, of furniture, equipment, appliances or other articles in the Building, or the existence of same in the Building, shall be paid for by the Subtenant.

12. Subtenant shall not place on or about the Building or doors any sign or mark of any kind other than that approved by Landlord.

13. Landlord may permit entrance to Subtenant's Subleased Premises by use of passkeys controlled by Landlord or its employees, contracting, or service personnel for the purpose of performing Landlord's janitorial services. No additional locks or similar devices shall be placed upon doors of the Premises and no locks shall be changed except with written consent of Landlord. Upon termination of the Lease, Subtenant shall surrender to Landlord all keys to the Premises. Such consent of Landlord shall not be unreasonably withheld.

14. Neither Subtenant nor any of its employees will leave any exterior door unlocked after business hours.

15. Landlord may from time to time in its reasonable judgment adopt appropriate systems and procedures for the security or safety of the Premises, any persons occupying, using, or entering the same, or any equipment, furnishings, or contents thereof, and Subtenant shall comply with the Landlord's reasonable requirements relative thereto.

16. Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve, or distribute foods or beverages in the Primary Premises.

17. Window coverings other than the type designated by Landlord as Building standard, either inside or outside the windows, may not be installed without Landlord's prior written consent and must be furnished, installed and maintained at the expense of Subtenant and at Subtenant's risk, and must be of such shape, color, material, quality and design as may be prescribed by Landlord, subject to applicable environmental health and safety recommendations and requirements.

18. If Subtenant desires additional telegraphic or telephonic connections, or the installation of any other electrical wiring, Landlord will, upon receiving a written request from Subtenant and at Subtenant's expense, direct the electricians as to where and how the wires are to be introduced and run, and without such direction, no boring, cutting or installation of wires will be permitted.

19. The sidewalks, entrances, passages, courts, corridors, vestibules, halls, stairways and elevators in or about the Premises and Building shall not be obstructed or used for storage or for any purpose other than ingress and egress by Subtenant or its invitees.

20. Landlord reserves the right at all times to exclude news delivery persons, loiterers, vendors, solicitors and peddlers from the Building as deemed necessary and to require registration, satisfactory identification and credentials from all persons seeking access to any part of the Building. Landlord shall exercise its best judgment in executing such control but shall not be held liable for granting or refusing such access.

21. No animals, pets, bicycles or skateboards or other vehicles shall be brought or permitted to be in the Premises or Building, other than service animals, and other than fish in a fish tank, the size of which shall be subject to Landlord's reasonable approval.

22. Subtenant shall cooperate fully with Landlord to assure the most effective and efficient operation of the Building and the use of utilities. Subtenant shall not adjust any common controls other than room thermostats installed for specific use. Subtenant shall not tie, wedge, or otherwise fasten open any water faucet or outlet. Subtenant shall keep all common corridor doors (if any) closed.

23. Except to the extent expressly provided in the Sublease, Landlord shall not assume responsibility for protecting the Premises from theft, robbery, pilferage and other crimes.

24. Subtenant shall not knowingly overload any floor and shall not install any heavy objects (i.e. objects creating weight loads in excess of one hundred (100) pounds per square foot, safes, business machines, equipment, files or other equipment without having received Landlord's prior written consent as to size, maximum weight, routing and location thereof. Safes, furniture, equipment, machines and other large or bulky, articles shall be brought through the Building and into and out of the Premises at such times and in such manner as Landlord shall direct (including but not limited to required use of the service elevator) and at Subtenant's sole risk and responsibility.

25. Subtenant shall not use more electrical current from individual or collective circuits as is designated by the amperage rating of said circuits at the circuit breaker panels for Subtenant's Premises

26. Subtenant, its employees, its invitees and guests shall not smoke in the Premises, Building or any Common Areas. Landlord shall make commercially reasonable efforts to enforce a similar restriction upon smoking by all other subtenants while they are at or within the Building or the Common Area.

27. Subtenant shall be responsible for any property damage including stoppage caused by failure to use the apparatus as instructed or for the purpose constructed done to any Common Area including but not limited to restrooms, elevators, stairways, hallways, lobby, sidewalks, parking lots, landscape areas caused by Subtenant, its licensees, guests, agents, contractors or invitees.

28. Landlord reserves the right to make such further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Premises and the preservation of good order therein. Any additional rules and regulations promulgated by Landlord and provided to Subtenant shall be binding upon the parties hereto with the same force and effect as if they had been inserted herein at the time of execution hereof. Subtenant shall be responsible for the observance of all of the foregoing rules and regulations by Subtenant's employees, agents, clients, customers, invitees and guests. Landlord shall not be responsible for any violation of the foregoing rules and regulations by other Subtenants of the Building, except as otherwise set forth herein.

29. Subtenant shall not conduct or permit any auctions or sales at the Premises.

30. The Rules and Regulations under the Primary Lease are attached hereto as Exhibit A-1, and are incorporated by reference into this Exhibit A. In the event of any conflict between Exhibit A-1 and this Exhibit A or any other portions of this Sublease, the provisions of Exhibit A-1 shall prevail.

In the case of any conflict between the provisions of the Sublease and these rules and regulations, the provisions of the Sublease shall control.

EXHIBIT "A-1"

PRIMARY LEASE RULES AND REGULATIONS

21. Landlord may from time to time in its reasonable judgment adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using, or entering the same, or any equipment, furnishings, or contents thereof, and Tenant shall comply with the Landlord's reasonable requirements relative thereto.

22. Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve, or distribute foods or beverages in the Common Areas.

23. Except in connection with the Use as defined in the Lease to which this Exhibit is attached, Tenant shall not install or operate any machinery or apparatus other than usual business machines (including, without limitation, computers, printers, fax machines and kitchen appliances) without specific written approval of Landlord. Installation and or use of any radiological or imaging equipment that is not in connection with the Use as defined in the Lease to which this Exhibit is attached shall require Landlord's prior approval.

24. No additional locks or similar devices shall be placed upon doors of the Premises and no locks shall be changed except with written consent of Landlord. Upon termination of the Lease, Tenant shall surrender to Landlord all keys to the Premises. Such consent of Landlord shall not be unreasonably withheld.

25. Tenant shall be permitted to move furniture and office furnishings and other Tenant's Property into or out of the Building at Tenant's own risk only at such times and in such a manner designated by Landlord so as to cause the least inconvenience of other tenants. It shall be the obligation of Tenant to repair, at no expense to Landlord, any damage to the Premises or Building caused by Tenant or its agents during moving.

26. Window coverings other than the type designated by Landlord as Building standard, either inside or outside the windows, may not be installed without Landlord's prior written consent and must be furnished, installed and maintained at the expense of Tenant (but payable out of the Tenant Improvement Allowance) and at Tenant's risk, and must be of such shape, color, material, quality and design as may be prescribed by Landlord, subject to applicable environmental health and safety recommendations and requirements.

27. If Tenant desires additional telegraphic or telephonic connections, or the installation of any other electrical wiring, Landlord will, upon receiving a written request from Tenant and at Tenant's expense, direct the electricians as to where and how the wires are to be introduced and run, and without such direction, no boring, cutting or installation of wires will be permitted.

28. The sidewalks, entrances, passages, courts, corridors, vestibules, halls, stairways and elevators in or about the Premises and Building shall not be obstructed or used for storage or for any purpose other than ingress and egress by Tenant or its invitees.

29. The Premises' ventilation system shall be isolated, separated within the Building from other tenants' ventilations system(s). Tenant shall not create or maintain a nuisance in the Premises nor make or permit any noise or odor or use or operate any electrical or electronic devices that emit loud sounds, air waves, or odors, that are reasonably objectionable to other tenants of this Building or any adjoining

building or premises; nor shall the Premises be used for lodging or sleeping nor any immoral or illegal purpose that will violate any law, damage the Premises, or injure the reputation of the Building.

30. Landlord reserves the right at all times to exclude news delivery persons, loiterers, vendors, solicitors and peddlers from the Building and Building Land as deemed necessary and to require registration, satisfactory identification and credentials from all persons seeking access to any part of the Building or Project. Landlord shall exercise its best judgment in executing such control but shall not be held liable for granting or refusing such access.

31. No animals, pets, bicycles or skateboards or other vehicles shall be brought or permitted to be in the Premises or Building, other than service animals, and other than fish in a fish tank, the size of which shall be subject to Landlord's reasonable approval.

32. Tenant shall cooperate fully with Landlord to assure the most effective and efficient operation of the Building and the use of utilities. Tenant shall not adjust any common controls other than room thermostats installed for specific use. Tenant shall not tie, wedge, or otherwise fasten open any water faucet or outlet. Tenant shall keep all common corridor doors (if any) closed.

33. Except to the extent expressly provided in the Lease, Landlord shall not assume responsibility for protecting the Premises from theft, robbery, pilferage and other crimes.

34. Tenant shall not knowingly overload any floor and shall not install any heavy objects (i.e. objects creating weight loads in excess of one hundred (100) pounds per square foot, safes, business machines, equipment, files or other equipment without having received Landlord's prior written consent as to size, maximum weight, routing and location thereof. Safes, furniture, equipment, machines and other large or bulky, articles shall be brought through the Building and into and out of the Premises at such times and in such manner as Landlord shall direct (including but not limited to required use of the service elevator) and at Tenant's sole risk and responsibility.

35. Tenant shall not use more electrical current from individual or collective circuits as is designated by the amperage rating of said circuits at the circuit breaker panels for Tenant's Premises. Should Tenant exceed the safe capacity as designed and as stated on the circuit breakers for said circuits then Tenant shall bear the entire expense of modifications to adjust or increase the amperage for Tenant's safe and proper electrical consumption. Landlord's consent to such modifications to the electrical system shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

36. Tenant, its employees, its invitees and guests shall not smoke in the Premises, Building or any Common Areas. Landlord shall make commercially reasonable efforts to enforce a similar restriction upon smoking by all parties while they are at or within the Building or the Common Area.

37. Tenant shall be responsible for any property damage including stoppage caused by failure to use the apparatus as instructed or for the purpose constructed done to any Common Area including but not limited to restrooms, elevators, stairways, hallways, lobby, sidewalks, parking lots, landscape areas caused by Tenant, its licensees, guests, agents, contractors or invitees negligent act or omission occurring within the scope of employment by Tenant.

38. Landlord reserves the right to establish reasonable rules and regulations which shall govern the access, activity, conduct and set specific rules and regulations with respect to contractors, subcontractors, agents or consultants that conduct activities in the Building, Premises and or Building Land.

39. Landlord reserves the right to make such further reasonable rules and regulations as in its judgment may from time to time be necessary for the safety, care and cleanliness of the Premises and the preservation of good order therein. Any additional rules and regulations promulgated by Landlord and provided to Tenant shall be binding upon the parties hereto with the same force and effect as if they had been inserted herein at the time of execution hereof. Tenant shall be responsible for the observance of all of the foregoing rules and regulations by Tenant's employees, agents, clients, customers, invitees and guests. Landlord shall not be responsible for any violation of the foregoing rules and regulations by other tenants of the Building, except as otherwise set forth herein.

40. Tenant shall not conduct or permit any auctions or sales at the Premises or Project.

EXHIBIT "B"

UCF BUSINESS INCUBATION PROGRAM
Lake Nona Medical – Innovation Center I

CLIENT SERVICES

Client services to be provided by the University of Central Florida Incubator include:

- Scheduled consultations with business advisors
- Assistance as needed from Incubator staff
- Use of the UCF Incubator conference room (on an as available basis)
- Invitation to in-house functions
- Admission to UCF Incubator sponsored seminars/workshops
- Networking Opportunities
- PR/Marketing: Inclusion in UCF Incubator press releases, individual company profile creation, consideration for specialized articles
- Linkage from UCF Incubator Web Page
- Linkage to the National Entrepreneur Center and various service providers located there including the UCF Small Business Development Center
- Additional services as outlined in the Client Handbook
- Facsimile
- Photocopying
- Other services as requested and feasible to provide

Specific rules and regulations outlining use of services are included in the Client Handbook. Clients agree to abide by all rules and regulations of the University of Central Florida Business Incubation Program and the Client Handbook, which are incorporated into this Sublease as a material part of the Sublease.



UNIVERSITY OF CENTRAL FLORIDA
BUSINESS INCUBATION PROGRAM

Exhibit "C"
SPECIAL USE ADDENDUM
TO
SUBLEASE AGREEMENT

Between
The University of Central Florida Board of Trustees ("Landlord")
And
_____ ("Subtenant")

WHEREAS, Landlord and Subtenant have entered into a Sublease Agreement effective _____ (hereinafter the "Sublease"); and

WHEREAS, Subtenant desires additional non-office, special use space, in addition to or in combination with the Subleased Premises, and which may involve Restricted Activities; and

WHEREAS, Landlord desires to provide additional non-office special use space to Subtenant;

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained in the Sublease and herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Laboratory Use Pursuant to the terms of the Sublease, the Subleased Premises shall include non-exclusive access and non-exclusive use of _____ square feet of wet laboratory space, to be used and occupied for laboratory activities, subject to the terms of this Addendum and the Sublease, and without limitation, pursuant to the procedures set forth in UCF Procedure Number emp30-01, Laboratory Environmental Management Procedure.

2. Alterations or Additions

(a) Pursuant to the terms of the Sublease, Subtenant is not authorized and shall make no alterations and/or additions to the Subleased Premises without the written consent of Landlord.

(b) For any approved alterations and/or additions to the Subleased Premises, unless otherwise agreed upon in writing by Landlord and Subtenant, Subtenant shall be solely responsible for all costs and expenses generated thereby and relating thereto. Title to any approved alterations and/or additions shall vest with Landlord, and shall remain with Landlord upon expiration or termination of the Sublease.

(c) Subtenant shall consult with UCF Environmental Health & Safety for guidance, but shall be solely responsible for compliance with all health, safety, and fire codes, and all federal, state, and municipal laws, ordinances, notices, orders, rules, regulations, and requirements related to the laboratory use, including but not limited to, obtaining or assisting UCF in obtaining, at UCF's sole discretion, all necessary permits and licenses. Subtenant shall be solely responsible for all costs and expenses related to said compliance.

3. Compliance Subtenant hereby agrees to comply with export and sanction regulations of the United States of America. Landlord, at its sole option, may review Subtenant activities which may result in an export or sanctioned transaction, and Subtenant shall cooperate and comply with any such review. Nothing in this Addendum or the Sublease shall be construed or interpreted to obligate Landlord in any manner regarding compliance of the activities of Subtenant.

4. Hazardous Substances Subtenant agrees to the terms of and shall execute the Hazardous Waste Management Agreement, attached hereto as Exhibit "C1", and incorporated herein by reference, prior to use and occupation of the Subleased Premises. Subtenant at its sole cost and expense, shall comply with (i) all federal, state, and municipal laws, ordinances, notices, orders, rules, regulations, and requirement, (ii) any requirements of the National Board of Fire Underwriters or any other body exercising similar functions and (iii) the requirements of all public liability, fire, and other policies of insurance covering the Subleased Premises or the Building, relating to the treatment, production, storage, handling, transfer, processing, transporting, use, disposal, and release of hazardous substances, hazardous wastes, toxic or radioactive matter. In addition, Subtenant shall take similar precautions with any other material or substance which, even if not regulated by law or requirements as aforesaid, may or could, in Subtenant's reasonable opinion, pose a hazard to the health and safety of the current or future occupants of the Subleased Premises or the Building, or the owners or occupants of the property adjacent to or in the vicinity of the Subleased Premises or the Building including without limitation, all chemical and biohazardous waste in connection with the operation of Subtenant's business.

The cost of handling or disposal of biohazardous or chemical or other hazardous waste generated by any activities of Subtenant shall be the sole responsibility of Subtenant, at Subtenant's sole cost and expense. Where possible, Subtenant shall use the same contractor as used by Landlord to dispose of such waste. All of the above activities are hereinafter referred to as "Restricted Activities". Subtenant shall be solely responsible for and shall defend, indemnify, and hold Landlord, and its agents, successors, and assigns harmless from and against all claims, actions, damages, liabilities, and expenses (including without limitation, fees of attorneys, investigators, and experts) arising out of or in connection with the (1) Restricted Activities by Subtenant, its agents, contractors, employees, licensees, or invitees, and (2) the removal, cleanup, and restoration work and materials necessary to return the Subleased Premises, the Building, and any other property of whatever nature (including, but not limited to, property adjacent to or in the vicinity of the Subleased Premises and the Building) to their condition existing prior to the Restricted Activities. Subtenant's obligations hereunder shall survive for a period of 12 months after the termination of this Sublease, or the longest period prescribed by applicable law. If at any time during or within 12 months after the term and any extended term of this Sublease, Subtenant becomes aware of any inquiry, investigation, administrative proceeding, or judicial proceeding regarding the Restricted Activities, Subtenant shall within five (5) days after first learning of such inquiry, investigation, or proceeding give Landlord written notice providing all available information regarding such inquiry, investigation, or proceeding.

5. Rent

- A) Subtenant shall pay an additional Special Use monthly rental fee of \$_____ to Landlord at the address provided in the Sublease, in consideration of the grant of Special Use space provided herein.
- B) In addition to the Special Use monthly rental fee, monthly 6.5% gross sales tax in the amount of \$_____ shall be paid to Landlord at the same time and location.
- C) A Special Use security deposit of \$_____ shall be due upon signing this Addendum.

- D) Fees for approved alterations or additions to the Subleased Premises, pursuant to Article 2 above, shall be paid according to the terms set out in documents wherein the alterations or additions are described and approval is granted, which shall be incorporated herein upon execution by both parties.

6. Hazardous Substances in Laboratory Operations.

A) Subtenant acknowledges that areas of the Building may be used for a restaurant, food service, and other non-laboratory uses, and Subtenant covenants to use best industry practices in the conduct of all laboratory operations and the storage, use, treatment, and disposal of Hazardous Substances at the Premises. In all events Subtenant shall comply with all applicable provisions of the standards of the U.S. Department of Health and Human Services as further described in the USDHHS publication Biosafety in Microbiological and Biomedical Laboratories (5th Edition, December 2009) as it may be further revised, or such nationally recognized new or replacement standards as may be reasonably selected by Landlord. Any Hazardous Substances permitted to be stored on the Premises pursuant to the Sublease shall be stored in areas of the Premises exclusively designated by Subtenant for such purpose. Subtenant agrees to pay the reasonable cost of any environmental inspection or assessment required by any governmental agencies, or by any insurance carrier, to the extent that such inspection or assessment pertains to any release, threat of release, contamination, claim of contamination, loss or damage in the Premises arising out of Subtenant's use and occupancy thereof.

B) Information Regarding Hazardous Substances. As a material inducement to Landlord to allow Subtenant to use Hazardous Substances in connection with its operations at the Premises, Subtenant shall provide the following information and documentation to Landlord in writing prior to the commencement date and thereafter shall update such information and documentation as specifically described below, which updates shall reflect any material changes in such information and documentation:

(a) An inventory of all Hazardous Substances that Subtenant receives, uses, handles, generates, transports, stores, treats, or disposes of from time to time, or at the time of preparation of such inventory proposes or expects to use, handle, generate, transport, store, treat, or dispose of from time to time, in connection with its operations at the Premises. Such inventory shall include, but shall separately identify, any: (i) any waste listed as or meeting the identified characteristics of a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under any applicable environmental laws; (ii) any and all substances and materials defined or referred to as a "medical waste," "biological waste," "biomedical waste," "biohazardous waste," "biohazardous material," or any other term of similar import under any Environmental Laws (including, without limitation, Section 381.0098, Florida Statutes, and any regulations promulgated thereunder, as amended from time to time) (collectively, "Biohazardous Materials"); or (iii) any and all substances and materials the receipt, storage, use, generation, release, transportation, treatment, or disposal of which requires an approval, consent, permit, or license from the Nuclear Regulatory Commission, and any and all other substances and materials defined or referred to as "radiation," a "radioactive material," or "radioactive waste," or any other term of similar import under any applicable Governmental Requirements (including, without limitation, any statutes, regulations, or other laws administered, enforced, or promulgated by the Nuclear Regulatory Commission). Such inventory shall include, for each type of Hazardous Substance listed: (1) the chemical name; (2) the material state (e.g., solid, liquid, gas, or cryogen); (3) the concentration levels; (4) the storage amount and storage condition (e.g., in cabinets or not in cabinets); (5) the use amount and use condition (e.g., open use or closed use); (6) the location (e.g., room number or other identification); and (7) if known, the chemical abstract service number. If such inventory includes any Biohazardous Materials, Subtenant shall also disclose in writing to Landlord the Biosafety Level designation associated with the use of such materials. Such inventory shall be updated annually, in January of each calendar year.

(c) All Material Safety Data Sheets ("MSDSs"), if any, required to be completed with respect to operations of Subtenant at the Premises from time to time in accordance with 42 U.S.C. Section 11021, or any amendments thereto, and any Hazardous Substances Inventory Sheets that detail the MSDSs. Such information shall be updated annually upon Landlord's written request.

(d) All hazardous waste manifests, if any, that Subtenant is required to complete from time to time in connection with its operations at the Premises. Such information shall be updated from time to time upon Landlord's written request.

(e) Copies of any other lists, reports, studies, or inventories of Hazardous Substances or of any subcategories of materials included in Hazardous Substances that Subtenant is otherwise required to prepare and file from time to time with any governmental or quasi-governmental authority in connection with Subtenant's operations at the Premises (including, without limitation, reports filed by Subtenant with the Federal Food & Drug Administration or any other regulatory authorities primarily in connection with the presence (or lack thereof) of any "select agents" or other Biohazardous Materials on the Premises), together with proof of filing thereof as available (which proof may be provided in the form of receipt or proof of signature provided by an overnight shipper unless other formal proof of filing from the receiving party is readily available). Such information shall be updated from time to time upon Landlord's written request.

(f) Any other information reasonably requested by Landlord in writing from time to time in connection with: (i) Landlord's monitoring (in Landlord's reasonable discretion) and enforcement of Subtenant's obligations under this Addendum and of compliance with applicable Governmental Requirements in connection with any receipt, storage, use, generation, release, transportation, treatment, or disposal of Hazardous Substances in the Premises or Building or on or about the Project by any Subtenant Party; and (ii) Landlord's preparation (in Landlord's discretion) and enforcement of any reasonable rules and procedures relating to the presence or receipt, storage, use, generation, release, transportation, treatment, or disposal by Subtenant of Hazardous Substances in the Premises or Building, including (but not limited to) any contingency plans or emergency response plans. Such information shall be updated from time to time upon Landlord's written request.

C) If (i) Subtenant has been required by any prior landlord, lender, or Governmental Authority to take material remedial action in connection with Hazardous Substances contaminating a property if the contamination resulted from such party's action or omission or use of the property in question; or (ii) Subtenant is subject to a material enforcement order issued by any Governmental Authority in connection with the use, disposal, or storage of Hazardous Substances, then Landlord shall have the right to terminate the Sublease in Landlord's sole and absolute discretion (with respect to any such matter involving Subtenant).

D) Landlord's Testing Rights. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests to demonstrate that Hazardous Substances are present or that contamination has occurred due to the acts or omissions of Subtenant. Subtenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Substances exist at the Premises in violation of the Sublease.

E) Laboratory Decommissioning. Prior to the expiration or earlier termination of the Term, Subtenant shall clean and otherwise decontaminate and decommission all interior surfaces (including floors, walls, ceilings, and counters); piping, supply lines, waste lines, and plumbing in or serving the Premises; and all exhaust or other ductwork in or serving the Premises, in each case that has carried, released, or otherwise been exposed to any Hazardous Substances, and shall otherwise clean the Premises so as to permit

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H-27

the report hereinafter called for by this Exhibit "C" to be issued. Not later than thirty (30) days after the expiration or earlier termination of the Term, Subtenant, at Subtenant's expense, shall obtain for Landlord a report addressed to Landlord (and, at Subtenant's election, Subtenant) by a reputable, licensed environmental engineer or industrial hygienist that is designated by Subtenant and acceptable to Landlord in Landlord's reasonable discretion, which report shall be based on such environmental engineer's or industrial hygienist's inspection of the Premises and shall state, to Landlord's reasonable satisfaction, that: (i) the Hazardous Substances, to the extent existing prior to such decontamination and decommissioning, have been removed in accordance with Legal Requirements and best industry practices, including, without limitation, the applicable standards of the American National Standards Institute including ANSI standard BSR/AIHA Z9.11-2008 governing laboratory decontamination and decommissioning (the "Laboratory Decommissioning Standard"); (ii) all Hazardous Substances, if any, have been removed in accordance with applicable Legal Requirements and best industry practice including, without limitation, the Laboratory Decommissioning Standard, from the interior surfaces of the Premises (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing, and all such exhaust or other ductwork in the Premises may be reused by Landlord in compliance with Legal Requirements without incurring special costs on account of such Hazardous Substances or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning, or removal of such Hazardous Substances and without giving notice to any Governmental Authorities in connection with such Hazardous Substances; and (iii) the Premises may be reoccupied for office or laboratory use, demolished or renovated without incurring special costs on account of such Hazardous Substances or undertaking special procedures for disposal, investigation, assessment, cleaning, or removal of Hazardous Substances and without giving notice to any Governmental Authorities in connection with Hazardous Substances. Further, for purposes of this Exhibit "C" "special costs" or "special procedures" means costs or procedures, as the case may be, that would not be incurred but for the nature of the substances as Hazardous Substances as distinguished from non-Hazardous Substances. The report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run, and the analytic results. The obligation to provide said report shall survive the termination or expiration of this Sublease.

F) Landlord Cure Right. If Subtenant fails to perform its obligations under this Exhibit "C," then without limiting any other right or remedy, Landlord may, on five (5) Business Days' prior written notice to Subtenant, perform such obligations at Subtenant's expense, and Subtenant shall within ten (10) days following demand reimburse Landlord for all reasonable out-of-pocket costs and expenses incurred by Landlord in connection with such work.

G) Remediation. If the presence of any Hazardous Substances in, on, under, or about the Premises, any portion thereof, or any adjacent property caused or permitted by Subtenant results in any contamination of the Premises or Building, any portion thereof, or any adjacent property, then Subtenant shall promptly take all actions at its sole cost and expense as are necessary to return same to its respective condition existing prior to the time of such contamination; provided, however, that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Premises or Building, any portion thereof, or any adjacent property.

H. Odors and Exhaust. Subtenant acknowledges that Landlord would not enter into this Sublease with Subtenant unless Subtenant gave Landlord reasonable assurances that other occupants of the Building or the Premises (including persons legally present in any outdoor areas of the Building) will not be subjected to an Odor Nuisance (as defined below) and that the Building and the Premises will not be damaged by any exhaust, in each case from Subtenant's operations in the Premises. Landlord and Subtenant acknowledge, however, that the nature of the use may result in certain odors and fumes, which will be abated in accordance with this Section H. Landlord and Subtenant therefore agree as follows:

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H-28

(a) Subtenant shall not knowingly cause or conduct any activities that would cause an Odor Nuisance. For purposes hereof, an "Odor Nuisance" means any release of any offensive or noxious odors or fumes from the Premises, which release either creates a nuisance or materially and adversely impacts any portion of the Building, the Premises, or the use of any portion of the Building or Premises by Landlord or other tenants.

(b) Subtenant acknowledges Landlord's legitimate desire to maintain the Premises (including both its indoor and outdoor areas) in a manner reasonably free of any Odor Nuisance and Landlord may require Subtenant to abate any such Odor Nuisance in a reasonable manner that goes beyond the requirements of Governmental Requirements in accordance with Section H(e) below.

(c) If at any time during the Term Landlord receives complaints from other Subtenants or occupants of the Building or Premises of an Odor Nuisance, Landlord and Subtenant will cooperate promptly and reasonably in order to satisfactorily resolve any odor issues.

(d) Subtenant's responsibility to remove, eliminate, and abate any Odor Nuisance shall continue throughout the Term.

I. Notwithstanding any other provision of this Sublease, Landlord, for itself and its employees, agents, and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Subtenant's routine safety guidelines, practices or custom, or prudent industry practices, require any form of protective clothing or equipment other than safety glasses.

J. Insurance and Waiver of Claims. In addition to those coverages required to be maintained by Subtenant in the Sublease, Subtenant shall, at its expense, at all times during the Term hereof, carry pollution and environmental liability insurance covering the environmental risks of Subtenant's business and use of the Premises with limits of not less than One Million Dollars (\$1,000,000) per incident and not less than Five Million Dollars (\$5,000,000) in the aggregate, with respect to environmental contamination and pollution of the Premises caused by Subtenant. Such environmental coverage shall include bodily injury, sickness, disease, death, or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges, and expenses incurred in the investigation, adjustment, or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere, or any watercourse or body of water.

K. Subtenant's storage, handling, removal and disposal of all medical waste matter at or from the Premises shall be done in compliance with all Governmental Requirements now or hereafter existing and shall be performed by Subtenant at Subtenant's sole cost and expense. Subtenant shall provide separate dedicated waste containers for all medical, bio-hazardous and radiological wastes to prevent them from being mixed with all other wastes generated from the Premises.

This Special Use Addendum is hereby incorporated by reference in its entirety within the Sublease Agreement to which it refers.

No other additions, amendments or changes are made or implied to the Sublease as originally executed, and all other requirements therein shall be binding and continue in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Special Use Addendum to be executed by their duly authorized representatives as of the last day and year, written below.

Landlord:
University of Central Florida
Board of Trustees

Subtenant:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D

PRIMARY LEASE ADDENDUM

THIS PRIMARY LEASE ADDENDUM (the "**Addendum**") is made and entered into as of the ____ day of _____, 20__ by and between **UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES ("UCF")** and _____ ("**Subtenant**").

RECITALS:

- A. Lake Nona Innovation Center I, LLC ("**Primary Landlord**") and UCF entered into that certain Lease dated _____, 2016 as the same may have been amended (the "**Primary Lease**"), pertaining to the premises more particularly described therein (the "**Primary Premises**").
- B. UCF and Subtenant have entered into that certain Sublease attached hereto (the "**Sublease**"), providing for the subletting of a portion of the Primary Premises from UCF to Subtenant, (the "**Subleased Premises**"), and this Addendum is incorporated into the Sublease and is part thereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. **Recitals.** The recitals set forth hereinabove are true and correct in all respects and are incorporated herein as fully as if set forth herein verbatim.
- 2. **Covenants.** Notwithstanding any other provision in the Sublease to the contrary, the parties do hereby agree as follows:
 - (a) With respect to any event or condition requiring Primary Landlord's consent or approval under the Primary Lease, Subtenant or UCF shall be obligated to obtain Primary Landlord's prior, written consent to such event or condition.
 - (b) Subtenant shall not be permitted to assign the Sublease or further sublease the Subleased Premises.
 - (c) The Sublease shall be subject and subordinate at all times in all respects to all of the covenants, agreements, terms, provisions and conditions of the Primary Lease.
 - (d) No alteration, addition or physical change will be made in or to the Subleased Premises, or any part thereof, without Primary Landlord's prior written consent in each instance.
 - (e) Any insurance required to be provided by the Subtenant under the Sublease must also name Primary Landlord as an additional insured.
 - (f) Primary Landlord and Subtenant shall not be deemed to be in privity of contract under the Sublease or the Primary Lease. Primary Landlord shall not be obligated to Subtenant under any of the provisions of the Sublease. Primary Landlord is not a party to the Sublease. Primary Landlord's consent to the Sublease does not constitute its consent to any particular terms and conditions of the Sublease and Primary Landlord shall not be bound by or obligated to perform any of the terms and conditions of the Sublease.

(g) Nothing contained herein or in the Sublease shall enlarge or increase Primary Landlord's obligations or liabilities under the Primary Lease or otherwise and in the event of a default under the Primary Lease which results in the termination of UCF's possessory rights in the Primary Premises, Subtenant's possessory rights in the Subleased Premises shall also be automatically terminated.

(h) The term of the Sublease shall not extend beyond the expiration of the term of the Primary Lease.

(i) UCF shall not be released in any manner from any of its obligations under the Primary Lease.

(j) Any options provided to UCF in the Lease shall not be extended to or exercised by Subtenant.

(k) Primary Landlord shall have the right, if UCF defaults under its obligations to Primary Landlord, to collect all rents directly from Subtenant and apply the net amount collected to rent owed under the Lease, but no action by Primary Landlord to collect rent owed from Subtenant shall be deemed a release of UCF of any obligation under the Primary Lease, nor shall it create a contractual relationship between Subtenant and Primary Landlord, or give Subtenant any greater estate or right to the Subleased Premises other than provided by the Sublease. In the event that the Sublease is assigned by UCF to Primary Landlord, Subtenant shall attorn to Primary Landlord as the "Sublandlord" under the Sublease.

(l) Subtenant hereby agrees to indemnify, defend and hold Primary Landlord harmless from and against any and all loss, cost, damage, claim, injury, liability or expense, including, without limitation, attorneys' fees and other legal expenses whether incurred at or before the trial level or in any appellate, bankruptcy or administrative proceeding arising out of (i) Subtenant's use and occupancy of the Subleased Premises or any portion thereof; (ii) any activity, work or other thing done, permitted or suffered by Subtenant in or about the Subleased Premises or the Building, or any part thereof; (iii) any breach or default by Subtenant in the performance of its obligations under the Sublease, or (iv) any act, omission or negligence of Subtenant, or any officer, agent, employee, contractor, servant, invitee or guest of Subtenant. If any action be brought against Primary Landlord, Subtenant, upon notice from Primary Landlord, shall defend the same through counsel selected by Subtenant's insurer or other counsel, in each case acceptable to Primary Landlord. Subtenant assumes all risk of damage or loss to its property or injuries or death to persons in, on or about the Subleased Premises from all causes except those for which the law imposes liability on Primary Landlord regardless of any attempted waiver thereof, and Subtenant hereby waives such claims in respect thereof against Primary Landlord. The provisions of this subparagraph shall survive the termination of the Sublease.

3. Conflict. In the event of a conflict between this Addendum and the remaining terms of the Sublease, the terms of this Addendum shall prevail. No amendment of this Addendum shall be legally enforceable without the consent of Primary Landlord, and Primary Landlord shall be deemed a third party beneficiary of the terms of this Addendum.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Addendum as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

SUBTENANT:

_____,
a _____

Print Name: _____

Print Name: _____

By: _____

Print Name: _____

Its: _____

[SEAL]

UCF:

**UNIVERSITY OF CENTRAL FLORIDA
BOARD OF TRUSTEES,** a public body
corporate

Print Name: _____

Print Name: _____

By: _____

Print Name: _____

Its: _____

[SEAL]

EXHIBIT "E"

PARKING PROVISIONS

1. As provided in the Primary Lease, Landlord shall provide Subtenant with access to and non-exclusive use of the parking field by Subtenant, its employees, invitees and guests.
2. There shall be no parking charge for Subtenant's employees and visitors.
3. Subtenant shall at all times comply with all applicable Governmental Requirements respecting the use of the parking field.
4. Landlord reserves the right to adopt, modify and enforce reasonable rules governing the use of the parking field from time to time not in conflict with the Lease, including any key card, sticker or other identification or entrance system (collectively, the "Parking Rules"), and Subtenant agrees to comply with and be bound by such Parking Rules in effect from time to time. Landlord may refuse to permit any person who violates such Parking Rules to park in the parking field, and any violation of the Parking Rules shall subject the car to removal from the parking field at the car owner's expense.
5. The parking spaces in the parking field shall be provided on an unreserved "first come, first served" basis, subject to Primary Landlord's right to reasonably designate certain reserved parking spaces for Building tenants in Primary Landlord's sole discretion.
6. Primary Landlord also reserves the right to close all or any portion of the parking field in order to make repairs or perform maintenance services, or to alter, modify, re stripe or renovate the parking field. Landlord will provide Subtenant with advance written notice of any such actions by Primary Landlord. Landlord will exercise its rights under this paragraph in such a manner so as to minimize interference with Subtenant's access to and use of the parking field, to the extent possible under the circumstances.
7. Primary Landlord reserves the right, without any obligation, to provide valet parking service to the Building, but Subtenant shall not be obligated to use such valet parking service.

ITEM: FF-6

**University of Central Florida
Board of Trustees**

SUBJECT: UCF Finance Corporation Line of Credit for UCF Downtown Campus

DATE: January 18, 2018

PROPOSED BOARD ACTION

Recommend approval for the UCF Finance Corporation to procure a line of credit up to \$14 million to provide the cash flow needed for construction of the UCF Downtown Campus.

BACKGROUND INFORMATION

The construction of the Dr. Phillips Academic Commons at the UCF Downtown Campus is being financed by the state of Florida, university resources, and philanthropic pledges. These pledges, matched by the state commitment, might be paid at times that are not tied to the construction draw schedule. This line of credit will be used to ensure timely cash flow to meet those draw requirements and allow construction to progress. It is anticipated that the line will be used, to the extent needed, after utilizing the cash provided by the state and university resources.

Upon approval by the board, an Invitation to Negotiate will be issued to procure the line, which will have a life not to exceed five years and will be secured by the pledges.

Supporting documentation: Attachment A: Resolution

Prepared by: John C. Pittman, Associate Vice President for Administration and Finance, Debt Management

Submitted by: William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

Attachment A

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL FLORIDA AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND THE ISSUANCE OF A NOTE EVIDENCING A LOAN IN AN AMOUNT NOT TO EXCEED \$14,000,000 BY THE UCF FINANCE CORPORATION TO FINANCE THE CONSTRUCTION OF THE DOWNTOWN ACADEMIC BUILDING ON THE UCF DOWNTOWN CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA, PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL FLORIDA OF UCF FINANCE CORPORATION:

Section 1. The Board of Trustees (the "Board of Trustees") of the University of Central Florida (the "University") established the UCF Finance Corporation (the "DSO"). The Board of Trustees hereby authorizes the issuance of debt by the DSO approves the execution and delivery of a Loan Agreement by and between the DSO and a Bank (the "Bank") and the issuance of a Note evidencing a Loan from the Bank to the DSO in an aggregate principal amount not to exceed \$14,000,000 (the "Loan") for the purpose of financing the acquisition, construction and equipping of the Downtown Academic Building (the "Project") on the UCF Health Sciences Campus at Lake Nona.

Section 2. The Project will consist of an academic facility that will be the new home for 14 academic programs including 9 programs of strategic emphasis. The Project is not required to be included in the master plan for the University because the Project is not located on the University's campus but is consistent with the mission of the University. Construction of the Project is expected to begin in March 2018, and the facility is expected to be operation by Fall 2019. The anticipated capital gifts, state support, and university funds are anticipated to be sufficient to complete the construction of the Project. Legislative approval of the Project has been obtained pursuant to section 1010.62 Florida Statutes. No proceeds of the Loan will be used to finance operating expenses of the University or the DSO.

Section 3. The Loan is to be secured by monies pledged by third parties and received on behalf of the University and the University of Central Florida Foundation, Inc.. The DSO is legally authorized to secure the Loan with the revenues to be pledged pursuant to section, 1010.62, Florida Statutes. The Loan is being entered into in anticipation of receipt of the capital gifts and State matching funds and is being structured as a line of credit to be drawn upon if funds are required prior to receipt of the capital gifts.

Section 4. The Loan will mature not more than five years after issuance. The Project has an estimated useful life of fifty years, which is beyond the anticipated final maturity of the Loan. The Loan will bear interest at a variable interest rate.

Section 5. The DSO will solicited bids from financial institutions and select the proposal with the best terms and conditions and in the best interest of the DSO.

Section 6. The Board of Trustees will comply, and will require the DSO to comply, with all requirements of federal and state law relating to the Loan, including, but not limited to, laws relating to maintaining the exemption from taxation of interest payments on the Loan.

Section 7. The President, Vice President for Administration and Finance, and other authorized representatives of the University, the Board of Trustees, and the DSO are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution and delivery of the Loan Agreement and issuance of the Loan.

Section 8. This resolution shall take effect immediately upon its adoption.

Adopted this 18th day of January, 2018.

Secretary

ITEM: NG-1

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Presidential Selection Process

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve revisions to the Presidential Selection Process.

BACKGROUND INFORMATION

President Hitt announced on October 24, 2017, his plans to retire from the presidency, effective June 30, 2018. The search is proceeding according to the Board's policy on Presidential Selection: Process Guide for the University Of Central Florida.

Having started the search, three updates to the process outlined in Presidential Selection: Process Guide for the University Of Central Florida are recommended for approval.

The first update clarifies that the search committee will determine by vote which applicants will be interviewed as semifinalists. The second update provides flexibility in selecting interview locations for semifinalists. The third update removes a repetitive step in the process by eliminating redundant votes by the search committee and clarifies how public feedback regarding the finalists will be provided to the Board. Following visits by the semifinalists, the search committee will vote to recommend final candidates for consideration by the Board of Trustees. The finalists will then visit campus for group and individual meetings and participation in public fora. At the conclusion of the finalists' visits, the current process calls for the search committee to summarize feedback and again vote on sending the finalists to the Board of Trustees. This second vote is unnecessary since the search committee will have previously voted to recommend these finalists to the Board.

Supporting documentation: Attachment A: Presidential Selection: Process Guide for the University Of Central Florida

Prepared by: Grant J. Heston, Vice President for Communications and Marketing

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

Attachment A

PRESIDENTIAL SELECTION: PROCESS GUIDE FOR THE UNIVERSITY OF CENTRAL FLORIDA

I. Roles in Presidential Selection Process

- A. **Selecting President:** This is the sole responsibility of the UCF Board of Trustees, with the selection subject to ratification by the Florida Board of Governors. UCF will adhere to Board of Governors regulation 1.002, Presidential Search and Selection.
- B. **Screening of Candidates:** This responsibility is delegated by the UCF Board of Trustees to a search firm and a search committee, whose members are appointed by the board chair and are charged with conducting specific activities.
- C. **Searching for Applicants:** This is a critical activity in which all members and friends of the UCF academic community may participate.

II. Background Steps

- A. **Preparation and Updating of Institutional Analysis:** This committee appraised the present condition of UCF and detailed the reasons for its success to determine qualities needed in a future president. As Judith McLaughlin and David Reisman indicate in *The Presidential Search: A Guide to the Process of Selecting and Appointing College and University Presidents*, "If a successful search is to be conducted, the search committee must have a clear sense of the sort of person for whom they are searching. The starting point of the search process, then, should be introspection concerning what the institution needs in order to reorganize strengths and to cope with weaknesses, both in terms of history and tradition, and future prospects and dilemmas. . . . Without an institutional assessment and leadership definition, the search committee is also at a loss to know who will be the best choice for them. They run the risk of choosing someone totally inappropriate for their institution, someone whose attractiveness lies in the fact that his or her style differs (or mirrors) the departing president, or someone whose understanding of the college or university is too limited for effective leadership."

With significant and thoughtful input from President John Hitt and the UCF leadership team, the Nominating Committee enumerated the Critical Success Factors that have been key to UCF's prominence. This document will be reviewed and updated annually until such time as the board undertakes a presidential search.

- B. **Development Leadership Statement:** A Leadership Statement developed by the president and the committee provides a description of the qualities sought in a president at this stage of UCF's development. Representing the board's consensus on the work to be done in a next presidency, the statement serves as a single grid against which candidates will be measured. At the initiation of the search, the Vice President and General Counsel will prepare a memorandum to the Board of Trustees, search committee, and search firm outlining the search criteria and be available for interpretation of such criteria.

The Nominating Committee has adopted the Leadership Statement. This document will be reviewed and updated annually until such time as the board undertakes a presidential search.

- C. **Appointment of Interim President (If Needed):** The board chair will recommend to the Board of Trustees for approval an interim President to serve until a new President takes office.
- D. **Decisions on Compensation Range:** The Compensation and Labor Committee annually reviews the president's compensation package and recommends changes to the board. At the time of a search, the committee will update the compensation data as may be needed for the new president.
- E. **Decisions on Search Consultant:** The board chair, with input from the Board and leadership of the University, shall retain a search consultant to assist with the search process. *(Continue discussions of best practices through AASCU and others.)*
- F. **Size and Composition of Board of Trustees' Search Committee:** A search committee composed of eight to fifteen members will be appointed by the board chair with input from the trustees and the leadership of the university. At least three trustees shall serve on the committee. A chair and vice chair of the search committee, both of whom will be trustees, will be appointed by the board chair. All appointments will be ratified by the full board.

The search committee will include one or more representative from the faculty, student body, Foundation board of directors, administration who are not the current President or a direct report to the President, and representatives from the broader community. The board chair will also ask the Florida Board of Governors to appoint a representative to serve on the search committee. The board chair also will ask one or more presidents of the community colleges who participate in the Direct Connect Consortium with UCF to serve or appoint a

representative to the search committee.

The search committee will work with the search consultant to solicit and screen applicants using the Leadership Statement adopted by the board, interview semi-finalists, and recommend three to five finalists to the full board. In all of its actions, the search committee will act in a manner consistent with the requirements of the Ssunshine Law.

- G. **Development of Search Committee Charge:** Please see the attached Exhibit A. This charge will be presented to all members of the search committee.
- H. **Establishment of Timeline:** The search consultant will work with the chair of the Board and the chair of the search committee to establish a timeline for the search.

III. Implementation

- A. **Advertising of Position and Development of Candidate List:** The search consultant will solicit nominations for the position from his or her various sources. Additionally, the position will be advertised broadly through *The Chronicle of Higher Education* and other appropriate media. All nominations and applications will be directed to the search consultant. Applications and nominations will be considered to be open until the finalist selection process is completed.
- B. **Screening and Selection of Semifinalists:** The search consultant will review all of the nominations and applications based on the agreed-upon leadership criteria and will narrow the applicant pool to a reasonable number (12-20 candidates). The search consultant will discuss these candidates informally and separately with the chair and vice chair of the search committee. Assuming positive feedback, the search consultant will then confirm with each of these candidates that he or she understands the public nature of the process and agrees to be a semifinalist. The search consultant will then forward all semifinalist applications to the search committee to vote on inviting selected semifinalists for visits.
- C. **Semifinalist Interview:** Members of the search committee will conduct semifinalist interviews ~~at an off-campus location~~.
- D. **Reference and Background Checks:** These checks will be conducted by the search consultant, with the assistance of others as may be appropriate.
- E. **Determination of Finalists:** The search committee will select up to five finalists.
- F. **Campus Visits:** Members of the search committee, with the aid of the search consultant, will arrange campus visits for all finalists. These visits will feature

multiple opportunities for the candidates to interact with representatives from the board, faculty, students, staff, and the broader community. The search committee will provide the results of community advice and reactions regarding the finalists to the Board of Trustees.~~The search committee will solicit and summarize campus and community reactions to the finalist candidates.~~

~~**G. Recommendation by Search Committee:** The search committee will forward to the Board of Trustees an unranked list of up to five individuals who, in the committee's judgment, are well qualified to serve as president.~~

GH. Final Selection by Board of Trustees and Negotiations: The Board of Trustees shall select the individual to be hired as President, subject to ratification by the Florida Board of Governors. The Board Chair and General Counsel will negotiate the terms of the President's contract.

HI. Welcome and Transition Activities: The Board will oversee the announcements of the selection of the new President, with notification to those most directly affected (e.g., faculty, student and administrative staff leaders) preceding the public announcements. The Board and the new President will discuss mutual expectations regarding Board culture, processes, communication and operations. Additional reading material about the University will be provided to the President. A series of introductions to the University and the broader community will be scheduled, affording the President the opportunity both to increase his or her understanding of the University and the community and to express his or her goals and viewpoints on a variety of issues. The Board and the President will consider the desirability of a series of familiarization workshops and of a transition team or committee.

EXHIBIT A: DRAFT OF BOARD CHAIR'S CHARGE TO PRESIDENTIAL SEARCH COMMITTEE

The search committee, appointed to advise the Board of Trustees of the University of Central Florida, is composed of _____ members. The committee's chair is Trustee _____, and its vice chair is Trustee _____.

The search committee is charged with recommending to the trustees not later than (date), an unranked list of three to five individuals who are well qualified to lead UCF as its next president. The search committee is asked to base its recommendations upon the Leadership Statement adopted by the Board of Trustees, as well as the trustees' established equal opportunity and affirmative action policies.

The board chair asks the search committee, assisted by the search firm, to conduct the following activities in discharging its duties:

- Actively solicit nominations and applications from a diverse group of well-qualified persons.
- Screen applications using the leadership criteria as the basis for choice.
- Select and interview semifinalist candidates.
- Assist in checking references of semifinalists.
- Assist in arranging campus visits for finalists.
- Report to the board a summary of campus and community reactions to finalists.
- Ensure that appropriate information about the university and the presidency is provided to candidates at each stage of the screening process.
- Ensure that appropriate confidentiality is strictly observed with respect to applicants and to the committee's internal deliberations.
- Submit more than two qualified candidates to the Board of Trustees for consideration.
- Comply with the requirements of Board of Governors Regulation 1.002.

The Board of Trustees extends its gratitude to the members of the search committee for accepting this demanding assignment. You have the trustees' warmest wishes for a successful conclusion. The future of the university rests upon your wisdom.

ITEM: NG-2

**University of Central Florida
Board of Trustees**

SUBJECT: Amendment to University Regulation UCF-3.040 Benefits and Hours of Work

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve amendments to University of Central Florida Regulation UCF-3.040.

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

Regulation UCF-3.040 updates language related to administrative leave and clarifies what forms of administrative leave may be unpaid.

Supporting documentation: Attachment A: Proposed Amended Regulation UCF-3.040 (redline)

Prepared by: Youndy C. Cook, Deputy General Counsel
Maureen Binder, Associate Vice President and Chief Human Resources Officer

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

UCF-3.040 Benefits and Hours of Work.

- (1) Benefits made available to Faculty, A&P, and USPS include, but are not limited to: paid and unpaid leave, holidays, State and University-sponsored insurance programs, and retirement.
- (2) Benefits made available to Post Doctoral Associates (PDA) include health insurance, paid annual leave, and paid sick leave and should be prorated based on full-time equivalency and date of hire. The leave is tracked by the department.
- (3) Benefits made available to residents and fellows in a program of graduate medical education in the College of Medicine are provided as described in College of Medicine Graduate Medical Education policies.
- (4) In accordance with the Shared Responsibility for Employers provision of Patient Protection and Affordable Care Act (PPACA) of 2010 (26 U.S. Code § 4980H, et seq.), OPS employees who meet state eligibility criteria may be eligible for State-sponsored health insurance benefits.
- (5) Under the Family Medical Leave Act (FMLA), OPS employees may be eligible for unpaid leave.
- (6) Benefits and hours of work requirements shall be administered consistent with the following provisions.
 - (a) Each employee is expected to work the number of hours in the employee's established workweek unless on approved leave. Benefits shall be provided in proportion to the established scheduled hours and in compliance with federal and state health reform laws.
 - (b) The minimum workweek is 40 hours for full-time employees. Pay for designated University holidays (maximum of eight hours) and accrued leave are not considered overtime and are paid at the employee's regular pay rate. Approved leave may be adjusted to ensure an employee's workweek will not exceed 40 hours.
- (7) Overtime Compensation for non-exempt employees. Non-exempt employees must be paid overtime at the rate of 1.5 times their regular rate of pay for all hours actually worked beyond 40 in the employer's designated work week (Friday through Thursday).

- (a) There are limited exceptions to this rule as authorized by FLSA, including an exception relating to law enforcement personnel.
 - (b) When leave is used or paid holidays occur, those hours do not count toward the calculation of hours worked unless required by university procedure or collective bargaining agreement.
 - (c) Overtime compensation shall be paid no later than the end of the following pay period.
- (8) Compensatory leave for non-exempt USPS employees.
- (a) Prior to November 18, 2016, overtime compensatory leave was provided in lieu of payment for overtime for nonexempt USPS employees at the rate of one and one half times the total hours worked beyond 40 in the workweek.
 - 1. The maximum overtime compensatory leave an employee could accrue was 120 hours. When the employee's overtime compensatory leave balance reached 120 hours, the employee was not allowed to earn additional overtime compensatory leave until s/he reduced the balance by using the leave.
 - 2. Employees who have accrued overtime compensatory leave are required to use such leave before using annual leave.
 - 3. If the employee separates from employment or transfers to another department, the employee shall be paid for all unused overtime compensatory leave at the employee's regular rate of pay, by the sending department.
 - 4. Effective November 18, 2016, overtime compensatory leave will no longer be an option (exception: in-unit PBA). Employees who work overtime hours shall be paid in accordance with section (7) of this regulation.
 - 5. Employees who have overtime compensatory leave balances as of November 18, 2016, should coordinate with their supervisors to use the hours prior to July 1, 2018. Any employees with an overtime compensatory leave balance at that time, will receive a payout to zero out the balance.

- (b) Prior to November 18, 2016, special compensatory leave was provided to non-exempt USPS employees as follows:
1. Special compensatory leave was provided to compensate an employee for a university designated holiday when: the employee observed the holiday and worked 40 hours the week during which the holiday occurred; the holiday fell on the employee's regularly scheduled day off; or the employee was required to work the holiday.
 2. Special compensatory leave was provided to compensate an employee for administrative leave for jury duty or court appearance provided in Section (16)(a) and (b) below when the employee worked 40 hours during the workweek in which the jury duty or court appearance occurred.
 3. Special compensatory leave was provided to employees required to perform essential duties during an emergency closing for the hours worked during the closing.
 4. There was no limit on the amount of Special Compensatory Leave an employee could accrue.
 5. Employees who have accrued special compensatory leave will be required to use such leave before using annual leave.
 6. The appropriate Vice President or Dean may elect to pay an employee for a part or all accrued special compensatory leave at any time. If the employee separates from employment or transfers to another department, the employee shall be paid for all unused special compensatory leave at the employee's regular rate of pay, by the sending department.
 7. Effective November 18, 2016, special compensatory leave accruals will no longer be an option (exception: in-unit PBA). Employees who work in a pay period that generates the earning of special compensatory hours, shall be paid for those hours when paid for that pay period.

8. Employees who have special compensatory leave balances should coordinate with their supervisors to use the hours prior to July 1, 2018. Any employees with a special compensatory leave balance at that time will receive a payout to zero the balance.
- (9) An employee shall be paid in proportion to their FTE status for all holidays designated for UCF employees, up to eight (8) hours per holiday.
- (10) Leave shall be accrued while in pay status and shall be credited on the last day of that pay period or, in the case of separation, on the last day the employee performed services.
- (11) During approved unpaid leave for parental, foster care, medical or military reasons, an employee may use accrued leave to continue the contributions to their benefits and other expenses. Under such circumstances, the employee must use a minimum of ten accrued leave hours per week until such leave is exhausted.
- (12) Unless agreed otherwise, an employee shall be employed in the same or similar status upon completion of the approved leave period. While on paid leave, an employee may not be employed elsewhere unless approved by the University in writing. The outside activity and dual compensation regulations may apply in such circumstances.
- (13) Compulsory leave provisions shall be consistent with the following.
 - (a) Medical certification by an approved health care provider may be required.
 - (b) Notice shall be provided to the employee identifying duration of the leave, the conditions for return to the position, and whether such leave shall count toward FMLA entitlements.
 - (c) The employee may be allowed to use accrued leave during compulsory leave to continue the contributions to their benefits and other expenses.
 - (d) Unless agreed otherwise, an employee shall be employed in the same or similar status upon completion of the approved leave period and upon receipt of medical certification.
 - (e) Employees who fail to meet the conditions of the compulsory leave or who fail to obtain medical certification and are unable to perform duties may be offered part-time employment, placed on unpaid leave or have such leave

extended, requested to resign, or be dismissed for inability to perform the duties of the position.

(14) Employees are provided with 12 workweeks of Family and Medical Leave within a 12-month period in compliance with the Family and Medical Leave Act (FMLA) of 1993 (29 USC s. 2601, et seq.) and implementing regulations (29 CFR Part 825). The 12-month period is defined as the fiscal year (July 1-June 30). All employees are eligible (including OPS and Post Doctoral Associate employees) who have worked at least 12 months (these need not have been consecutive) and who have worked at least 1250 hours in the 12-months prior to the leave. Leave-accruing employees may use accrued leave when taking an FMLA leave.

(15) Employees shall be provided with up to six months unpaid parental leave (unless otherwise defined by collective bargaining agreement) when the employee becomes a biological or adoptive parent. Parental leave shall begin two weeks prior to the expected date of the child's arrival unless otherwise approved by the supervising physician or appropriate Dean or Director. The employee taking parental leave may use accrued leave, but accrued sick leave may only be used when the supervising physician restricts the employee from working.

(16) Employees are ~~granted~~provided paid administrative leave as follows. ~~—Paid~~
~~Administrative~~ leave shall not count as hours worked for purposes of calculating overtime ~~nor is it~~. ~~—Administrative leave is not~~ accrued.

- (a) Administrative leave for jury duty shall not exceed the number of hours in the employee's normal workday. If jury duty does not require absence for the entire workday, the employee shall return to work immediately upon release from the court. If the jury duty does not coincide with the regular work schedule, the employee shall be granted administrative leave based on the total hours served on jury duty and such leave shall be granted on the next scheduled work shift. Any jury pay shall be retained by the employee.
- (b) When job duties require court attendance, such as law enforcement officers under subpoena to appear in a proceeding because of their position with the University, this will be considered time worked. Administrative leave shall be provided to an employee summoned as a witness in a matter not

involving personal interests, but shall not be provided to an employee who is a defendant in a criminal matter, where criminal matter means either an alleged misdemeanor or felony; who has received a summons to appear in traffic court (except as a witness); who is a party to a civil case, either as plaintiff or defendant; or who has any personal or familial interest in the proceedings.

- (c) Administrative leave for athletic competition in Olympic events shall be provided in accordance with Section 110.118, F.S.
- (d) Administrative leave up to two days shall be provided to a non-exempt employee upon the death of an immediate family member (grandparents, parents, children, grandchildren and siblings of the employee, employee's spouse.)
- (e) Administrative leave shall be provided for official emergency closing of University facilities per UCF Regulation 3.035. ~~Only employees in active pay status and not on a scheduled leave of absence during the time of the emergency closing shall be provided administrative leave pursuant to this provision.~~
- (f) The President or designee may provide administrative leave for Florida Disaster Volunteers in accordance with Section 110.120, F.S.
- (g) The supervisor may provide administrative leave up to one hour for voting in public elections when it is not possible for the employee to vote outside of their normal work schedule. If early voting procedures are in effect, employees are not eligible for this benefit. The employee must request this leave in advance.
- (h) ~~The President or designee may place a faculty member under investigation on leave up to the length of the investigation. For A&P and USPS employees, the Chief Human Resources Officer (CHRO) or designee may place an A&P or USPS employee under investigation on leave up to the length of the investigation.~~
- (i) ~~The President or designee may place an employee on administrative leave between the notice of reduction in pay, suspension, or dismissal and the~~

~~effective date of such action. For A&P and USPS employees, the CHRO or designee may place an employee on administrative leave between the notice of reduction in pay, suspension, or dismissal and the effective date of such action.~~

~~(j) The President or designee may place an employee on administrative leave when the employee's presence in the workplace may result in damage to property, or injury to the employee or others. For A&P and USPS employees, the CHRO or designee may place an employee on administrative leave when the employee's presence in the workplace may result in damage to property, or injury to the employee or others.~~

~~(k) The President or designee and/or CHRO or designee may place an employee on administrative leave if deemed appropriate to unique or specific circumstances and/or in the best interest of the university.~~

(h) An employee who has been rated by the United States Department of Veterans Affairs or its predecessor to have incurred a military-service-connected disability and has been scheduled by the United States Department of Veterans Affairs to be reexamined or treated for the disability shall be granted administrative leave for such reexamination or treatment without loss of pay or benefits. However, such paid leave may not exceed 48 hours per calendar year. Employees should request the administrative leave in advance from their supervisor and provide a copy of the official documentation for the timekeeping records. If an employee fails to do so and later requests administrative leave, departments are permitted to approve adjustments to dates within the current calendar year.

(17) Other forms of administrative leave. Administrative leave under this section (17) may be paid or unpaid at the discretion of the appropriate University official. For faculty, administrative leave and pay status decisions under this section (17) will be made by the President or designee. For A&P and USPS, administrative leave and pay status decision under this section (17) will be made by the CHRO or designee. If paid, administrative leave under this section (17) shall not count as hours worked for purposes of calculating overtime and shall not accrue. An employee may be placed on administrative leave for the following:

- (a) If it is determined that the employee's presence in the workplace may result in damage to property, or injury to the employee or others.
- (b) When the employee is under investigation.
- (c) Where deemed appropriate to unique or specific circumstances related to the employee and/or if determined to be in the best interest of the University.

(187) _ Military leave and reemployment rights shall be provided to Faculty, A&P (including Executive Service) and USPS employees consistent with Federal and State laws. OPS employees, including Post Doctoral Associates, may request time off for military duty obligations. However OPS employees are not eligible for military pay supplements or extended leaves of absence.

(198)_ Workers' Compensation benefits for an injury compensable under the Florida Workers' Compensation Law shall be provided consistent with the following.

- (a) An employee shall remain in full pay status for a period up to a maximum of forty (40) hours without being required to use accrued leave. If, during that period, the employee receives Workers' Compensation benefits, then the employee shall reimburse the University the amount of the benefits. Such reimbursement shall not include payments for expenses related to medical, surgical, hospital, or nursing treatment or payments of disability losses.
- (b) An employee may elect to use accrued leave to supplement Workers' Compensation payments up to the employee's regular salary/rate of pay.
- (c) The period of paid or unpaid job-related disability leave shall be in accordance with Chapter 440, F.S.
- (d) An employee who was injured in the workplace may be returned to alternate duty consistent with established University policies or procedures.
- (e) If at the end of the leave period, an employee is unable to return from leave to work full-time and perform the duties of the position, the CHRO or designee may offer the employee a part-time appointment, place the employee on unpaid leave, extend the leave status, request the employee's resignation, or terminate the employee from employment.

~~(2019)~~ _ In accordance with Fla. Stat. §121.35(3), all new Faculty and A&P employees are automatically enrolled in the Optional Retirement Program (ORP) unless such employee elects membership in the Florida Retirement System. Such election shall be made in writing and submitted to UCF Human Resources. Any employee who is eligible to participate in the Optional Retirement Program and who fails to execute a contract with one of the approved companies and submit a copy of said contract accompanied by a completed ORP-16 SUSORP Retirement Plan Choice Form within 90 days after the date of eligibility shall be deemed to have elected membership in the Florida Retirement System, except as provided in s. 121.051(1)(a), which states that a faculty member in the College of Medicine may not participate in the Florida Retirement System. Faculty members in the College of Medicine shall participate in the Optional Retirement Program.

~~(2021)~~ _ Adjunct faculty, OPS non-student employees, Post Doctoral Associates, Medical Residents, and Medical Fellows are automatically enrolled in the 401(a) FICA Alternative Plan as a mandatory condition of employment. This is a mandatory retirement system and such employees do not contribute to or receive credits in the Social Security system.

Authority: BOG Regulation 1.001. History– New 5-16-12. Amended 2-8-16, 12-19-16, 7-20-17, _____-18.

ITEM: NG-3

**University of Central Florida
Board of Trustees**

SUBJECT: Amendments to Chapter 5 University Regulations

DATE: January 18, 2018

PROPOSED BOARD ACTION

Approve amendments to University Regulations relating to student conduct rules, review proceedings for violations of the conduct rules by students or student organizations, student conduct appeals, and student academic behavior standards. The regulations to be amended are: University Regulations UCF-5.006 (Student Rights and Responsibilities), UCF-5.008 (Rules of Conduct), UCF-5.009 (Student Conduct Review Process; Sanctions), UCF-5.010 (Student Conduct Appeals), UCF-5.013 (Organizational Conduct Review Process; Sanctions; Appeals), and UCF-5.015 (Student Academic Behavior Standards).

BACKGROUND INFORMATION

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.” Each University is tasked with adopting rules of conduct and a conduct review procedure for its students.

Supporting documentation: Attachment A: Proposed Amended Regulations UCF-5.006, UCF-5.008, UCF-5.009, UCF-5.010, UCF-5.013, UCF-5.015 (redline)

Prepared by: Youndy Cook, Deputy General Counsel

Submitted by: Scott Cole, Vice President and General Counsel

Attachment A

UCF-5.006 Student Rights and Responsibilities

(1) Student Rights. Upon enrollment, students are entitled to the following freedoms and rights, provided the exercise thereof is accomplished in accordance with University procedures and does not result in disruption or disturbance as elsewhere described in the Regulations.

- (a) Participation in Student Government Association and its elective process.
- (b) Membership in Registered Student Organizations.
- (c) Freedom of expression. The basic freedoms of students to hear, write, distribute, and act upon a variety of thoughts and beliefs are guaranteed. Freedom of expression carries with it the responsibility for seeing that the essential order of the University is preserved.
- (d) Freedom to hold public forums. The University desires to create a spirit of free inquiry and to promote the timely discussion of a wide variety of issues, provided the views expressed are stated openly and are subject to critical evaluation. Restraints on free inquiry are held to a minimum and are consistent with preserving an organized society in which peaceful, democratic means for change are available. Guest lecturers or off-campus speakers sponsored by student groups may appear on the UCF campus following arrangements with the designated University authority for such appearances.
- (e) Freedom to hear, write, distribute, and act upon a variety of thoughts and beliefs. This freedom is subject to the following:
 - 1. Written materials identified by authorship and sponsorship may be sold or distributed on campus within the guidelines of propriety and responsible journalism. The distribution of such material, as is arranged by the Director of Office of Student Involvement, is permissible for registered student organizations provided steps have been taken to preserve the orderliness of the campus.
 - 2. Solicitation, whether printed materials or otherwise, on campus is prohibited except as provided in University Regulation UCF-4.010.
 - 3. The distribution of materials or circulation of petitions to captive audiences such as those in classrooms, at registration, in study areas or in residential units is not allowed without prior permission. Such permission may be requested from the appropriate university official.

- (f) Peaceful assembly. Student gatherings must neither disrupt or interfere with the orderly educational operation of the institution, nor violate state or local laws, or University regulations.
- (g) Fair and impartial proceedinghearing. These matters shall include, but not be limited to:
 - 1. Disciplinary proceedings involving an alleged violation of academic and nonacademic rules.
 - 2. Refunds and charges. The status of a student charged with a violation of University rules shall not be affected pending final disposition of the charges except in the case of administrative action (also known as an interim action). For specific procedures and rights of students during the Student Conduct Review Process, see later section entitled “Student Conduct Review Process.”
- (h) Confidentiality of student records. Each University office and agency which generates, collects, and disseminates information on students must follow the guidelines for confidentiality of those records in their possession. For further information see “Student Record Guidelines.”

(2) Student Responsibilities. A student at the University is deemed to have given his or her consent to the policies of the University and the Florida Board of Governors and to the laws of the State of Florida. Each student is responsible for reviewing the rules and regulations of the University and for abiding by them.

(3) Definitions.

- (a) The term “Academic Integrity Panel” is comprised of one faculty and one staff/faculty member and two students selected from the Student Conduct Board. Members of this panel will receive annual training on how to conduct an investigation related to academic misconduct.
- (b) The term “Advisor” or “Support Person” refers to any individual who provides support, guidance or advice to a party involved in a Title IX investigation or Student Conduct Review Process. The Advisor or Support Person of the involved party’s choice may assist and/or accompany the party throughout the investigative process and Student Conduct Review Process. This person shall not speak for, or

present the information on behalf of the party who requested the Advisor or Support Person's attendance.

- (c) The term "Clery Act" refers to the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. The Clery Act is a federal law that requires institutions of higher education to provide current and prospective students and employees, the public, and the federal government with crime statistics and information about campus crime prevention programs and policies. Among other crimes, the Clery Act requires that colleges and universities report forcible sex offenses including sexual assault and rape. The Clery Act was amended by the Violence Against Women Reauthorization Act of 2013.
- (d) The term "Community ReEngagement and Educational Development (CREED) Program" is a committee composed of an equal number of faculty/staff and students appointed by the Director of the Office of Student Conduct to review the disciplinary probation status of a student.
- (e) The term "Complainant" refers to anyone who discloses having been subjected to sex discrimination, which includes sexual assault/misconduct, sexual exploitation, relationship violence, stalking, sexual or gender-based harassment, retaliation, or complicity in the commission of any act prohibited by the Rules of Conduct section UCF-5.008(5) or the Organizational Rules of Conduct section UCF-5.012(5), regardless of whether that person makes a report or seeks action under that policy.
- (f) The term "Continuously Enrolled" is defined as being enrolled in classes without a break of two or more consecutive regular semesters/terms (i.e., Fall and Spring, or Spring, Summer, and Fall).
- (g) The term "Deputy Title IX Coordinator" is defined as a university employee who is responsible for assisting with the coordination of the University's efforts to comply with and carry out its responsibilities under Title IX. UCF's Deputy Title IX Coordinators are Dana Juntunen, ~~and Brandi Stuart,~~ and Abigail Malick.
- (h) The term "Director of the OSC" refers to the Director of the Office of Student Conduct.
- (i) The term "Executive Director of the OSRR" refers to the Executive Director of the Office of Student Rights and Responsibilities.

- (j) The term “Hold” refers to a service indicator placed on a student’s record that includes but is not limited to: prevent modification to registration; access to transcripts; and re-enrollment following a separation from the University
- (k) The term “mandated assessment” refers to a process which is used to evaluate the student’s risk of harm to self or others, and to take appropriate actions to ensure the safety of the student or others if risk is present, completed by a licensed mental health professional or other appropriate licensed medical provider.
- ~~(kl)~~ The term “Off Campus” refers to any location not defined as University premises.
- ~~(ml)~~ The term “Overlay” refers to a notification on a student’s university transcript that states the student is not in good standing.
- ~~(nm)~~ The term “Preponderance of Evidence” means that evidence, considered as a whole, shows that the fact sought to be proved is more probable than not. This is the standard used in adjudicating all disciplinary cases within the Student Conduct Review Process.
- ~~(on)~~ The term “Record Sealing” refers to when a student’s disciplinary record cannot be examined except by a court order or designated officials.
- ~~(pe)~~ The term “Relevant Information” means information that has been shown to directly support the position of a party throughout the University’s investigative process or Student Conduct Review Process.
- ~~(qp)~~ The term “Respondent” refers to any student or registered student organization who has been accused of sex discrimination, which includes sexual assault/misconduct, sexual exploitation, relationship violence, stalking, sexual or gender-based harassment, retaliation, or complicity as defined in Rules of Conduct section UCF-5.008(5) or the Organizational Rules of Conduct section UCF-5.012(5).
- ~~(rq)~~ The term “Responsible Employee” is defined as any employee, and Direct Support Organization non-student employee, who is not a confidential employee as defined in the University’s *Prohibition of Discrimination, Harassment and Related Interpersonal Violence Policy*. Responsible Employees include (but are not necessarily limited to) Faculty (full-time and part-time), Staff (full-time and part-time), Resident Assistants, and graduate students with classroom responsibilities. Responsible employees also include those employees identified as Campus Security Authorities (CSAs). The University reserves the right to designate other

individuals involved in university-sponsored/related activities as Responsible Employees on a case-by-case basis.

- (~~sf~~) The term “Sanction” refers to outcome(s) imposed on students and registered student organizations found in violation of any Rules of Conduct or Organizational Rules of Conduct.
- (~~ts~~) The term “Sex Discrimination” refers to any unlawful distinction, preference or detriment to an individual that is based upon an individual’s sex that: (1) excludes an individual from participation in; (2) denies the individual the benefits of; (3) treats the individual differently with regards to; or (4) otherwise adversely affects a term or condition of an individual’s employment, education, living environment, or participation in a university program or activity. Sex discrimination includes sexual assault/misconduct, sexual exploitation, relationship violence, stalking, sexual or gender-based harassment, retaliation, or complicity.
- (~~ut~~) The term “Student” means any person enrolled in one or more classes at the University, either full time or part time, study abroad student, online students, continuing education students, students pursuing undergraduate, graduate or professional studies, either degree seeking or non-degree seeking. Persons who withdraw after allegedly violating the Rules of Conduct, or who are not officially enrolled for a particular academic term but who have a continuing relationship with the University are also “students.” Individuals who have been accepted for admission and have paid an enrollment deposit are considered “students” for limited purposes (including the Student Conduct Review Process).
- (~~vt~~) The term “Student Conduct Board” means any person or persons authorized by the Director of the OSC or designee to gather information and make proposed findings regarding whether a student or registered student organization has violated the Rules of Conduct or Organizational Rules of Conduct and to propose sanctions that may be imposed.
- (~~wv~~) The term “Title IX” refers to the Title IX of the Education Amendments of 1972 which is a federal law that protects people from discrimination based on sex in education programs or activities which receive Federal financial assistance. Title IX states that: “No person in the United States shall, on the basis of sex, be

excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance”. Title IX’s sex discrimination prohibition protects against sexual harassment and sexual violence and extends to claims of discrimination based on gender identity or failure to conform to stereotypical notions of masculinity or femininity, pregnancy or parental status.

- (~~xw~~) The “Title IX Coordinator” is defined as a university employee who is responsible for coordinating the University’s efforts to comply with and carry out its responsibilities under Title IX. UCF’s Title IX Coordinator is Dawn Welkie.
- (~~y*~~) The term “University” means the University of Central Florida.
- (~~zy~~) The term “University Community” refers, collectively and individually, to students, University officials, Trustees, and all visitors, contractors, and guests to the University or any of its campuses, facilities or events.
- (~~aa#~~) The term “University Official” includes any person employed by the University (i.e. faculty, staff, administration, and residence hall staff) acting within the scope of their job duties.
- (~~bbaa~~) The term “University Premises” includes all land, buildings, facilities, and other properties in the possession of or owned, used, controlled by the University, or its direct support organizations.
- (~~ccbb~~) The term “VAWA” refers to the Violence Against Women Reauthorization Act of 2013, which amended the Violence Against Women Act and the Clery Act to provide new requirements for schools to prevent and respond to sexual violence, relationship violence and stalking. Some of these requirements include providing primary prevention education and awareness programs for all incoming students and employees; collecting statistics on relationship violence and stalking, in addition to current requirements to collect sexual assault statistics; issuing Complainants a written notice of their rights; and adopting grievance policies that are prompt, fair, and impartial as well as administered by trained officials.
- (~~ddee~~) The term “VP of SDES” refers to the Vice President of Student Development and Enrollment Services.
- (~~eedd~~) The term “Witness” refers to any person who directly observed an incident or has direct or indirect knowledge related to an incident

(4) Smoking. While on UCF property, students will uphold the smoke-free campus policy (<http://smokefree.sdes.ucf.edu/>) to ensure a healthy and clean environment for everyone.

Smoking of any kind is prohibited in all facilities and areas of the UCF campus.

(5) Medical Emergencies. The University of Central Florida highly encourages students and registered student organizations to call for medical assistance whenever an individual experiences severe intoxication/impairment or serious injury after consuming alcohol and/or drugs. Students and registered student organizations may be reluctant to call for help for themselves or others due to potential involvement from the UCF Police Department or the Office of Student Conduct. Due to the serious or life-threatening nature of these medical emergencies, the University of Central Florida urges students to contact emergency medical services or the UCF Police Department if alcohol-related and/or drug-related medical emergencies arise. The university's primary goal is to create a safe environment for its students. Procedures and expectations regarding these incidents have been outlined in the Office of Student Conduct Rules of Conduct Controlled Substance and Drug Violations and Alcoholic Beverages section and the Organizational Rules of Conduct section.

(6) Student Care Services. In order to provide comprehensive and consistent care for students experiencing academic, financial or personal challenges, Student Care Services (SCS), under Student Rights and Responsibilities provides support to students identified as needing additional on-campus or off-campus resources. Care Managers for Student Care Services review referrals from students, faculty, staff and/or other parties who are concerned about behavior exhibited by a student. The goal of Student Care Services is to intervene and support the student before a situation reaches crisis level.

- (a) Care Managers will reach out to the student to assess what resources would be beneficial and collaboratively develop an action plan to reduce obstacles affecting success at UCF. Care Managers will assist the student in coordinating with campus resources currently being utilized and will work with the student to monitor progress. Depending upon the circumstances, the referring person may receive feedback about the student's action plan.
- (b) In order to support student success, Care Managers may utilize additional campus resources to assist the student. This may include collaboration with the Student of Concern Team (SOCT), a multidisciplinary group that reviews potential concerns presented by the UCF community regarding student behavior. The SOCT offers

additional knowledge of university resources and procedures and may make further recommendations regarding action plan items for student success.

Students of concern are presented to the team at the discretion of the Office of Student Rights and Responsibilities and/or Student Care Services. The team may enlist the services of various campus units on an as needed basis.

- (c) Care Managers have additional campus support systems in place to assess students engaging in behavior that may pose a risk to themselves or others. This includes but is not limited to the University Crisis Team, Mandated Assessment Procedure, and Involuntary Withdrawal Procedure.

(7) University Crisis Team. The University may refer students who are viewed to be engaging in behavior(s) that pose risks to themselves or others to the University Crisis Team for possible action. Such behaviors include, but are not limited to: suicidal behavior, self-injury, threats to harm others, disruptive behavior, disordered eating, and endangerment to the community.

- (a) The Executive Director of OSRR or designee will convene the team members in order to review each case and decide on the best course of action. The team is comprised of the following persons and/or their designee(s): Student Health Services Executive Director, Counseling and Psychological Services Director, UCF Police Department Chief, Office of Student Rights and Responsibilities Executive Director, Student Care Services Associate Director, Office of Student Conduct Director, Associate Dean for Academic Services, Housing and Residence Life Director, Deputy General Counsel, and Student Development and Enrollment Services Associate VP and Dean of Students.
- (b) Various campus units may enlist the services of the team. These include but are not limited to Student Accessibility Services, Recreation and Wellness Center, Wellness and Health Promotion Services, Office of Fraternity and Sorority Life, Athletics, Alcohol and Other Drug Intervention Services, Undergraduate Studies, and Graduate Studies.
- (c) The role of the Student Health Services Executive Director and the Counseling and Psychological Services Director on the Crisis Team will be consultative in nature. When possible, the Student Health Services Executive Director and the Counseling and Psychological Services Director will not confer on a case for which they are (or have been) serving in a direct provider relationship with the

involved student. When the involved student has been a client at UCF Counseling and Psychological Services, the Counseling and Psychological Services Director or designee will maintain the confidentiality of the student's clinical information and will make recommendations for action based solely upon the information provided in the meeting or as guided by clinical and licensure best practices.

(8) Mandated Assessment Procedure. This University procedure is established for behaviors or actions that result in hospitalization from imminent danger to self or others via the Baker Act (F.S. 394.463) or Marchman Act (Chapter 397, Florida Statutes), significant acts or threats of violence to others, chronic eating disorders, dramatic and/or expansive displays of self-mutilation, behaviors that are significantly disruptive to the UCF community and /or diminish the ability of a student to care for oneself. Whenever the UCF Police provide transportation of a UCF student to the hospital for involuntary examination, the police will file a report with the OSRR. In addition, anyone may also file reports about students of concern with Student Care Services.

- (a) Once a report is received regarding a UCF student hospitalization via the Baker Act or the Marchman Act, Student Care Services may notify and consult with designated representatives of UCF Counseling and Psychological Services or Student Health Services and/or the University Crisis Team to review the severity of the student's behavior for potential of continued risk to the campus community. A determination will be made whether a mandated assessment and/or physical assessment is needed to help the student in their specific situation or whether some other more stringent, protective action is appropriate to protect both the welfare of the student and the community. The mandated assessment session(s) may be used to evaluate the student's risk of harm to self or others, and to take appropriate actions to ensure the safety of the student or others if risk is present. In addition, the mandated assessment session(s) are designed to assist students in developing a safety and/or well-being plan and provide students with educational resources. A member of Student Care Services will contact the student in a timely manner and require an initial meeting between a Student Care Services representative and the student to inform the student of their rights and responsibilities regarding the incident.

- (b) All students identified as threatening self-harm or having attempted suicide must complete a mandated assessment with a licensed mental health professional and/or a physical assessment with a licensed medical provider. Examples of a licensed mental health professional include a Student Health Services psychiatrist, a Counseling and Psychological Services clinician, or a community based licensed mental health professional or licensed psychiatrist of the student's choice. Before the mandated assessment is conducted, Student Care Services or designee will first attempt to obtain an *Authorization to Release/Exchange Confidential Information form* from the student to provide the licensed mental health professional and/or licensed psychiatrist conducting the assessment with background information relevant to the reason for the mandated assessment. Student Care Services will require proof of participation for the mandated assessment with a licensed mental health professional and/or proof of a physical assessment with an appropriate medical provider. The student must meet with Student Care Services within ten (10) business days following release to complete a follow up appointment. Student must provide proof of assessment within twenty (20) business days following release or prior to return to the university (in the event a student withdraws for the remainder of the semester or is placed on Medical Withdrawal). Failure to comply may result in disciplinary action or the convening of the University Crisis Team.
- (c) In cases where more protective action is needed based on more severe behavior/conduct (e.g., behavior endangering others, threats to harm others, behavior significantly disruptive to the UCF community), the Executive Director of OSRR or designee may initiate one or both of the following:
1. Interim Suspension followed by initiating the Student Conduct Review Process;
 2. Convening of the University Crisis Team to consider the initiation of the Involuntary Withdrawal Procedure.

(9) Involuntary Withdrawal Procedure. A student who poses a serious danger of imminent or serious physical harm at the University may be involuntarily withdrawn from the University by the Executive Director of OSRR or designee upon appropriate notification and consultation from

the University Crisis Team and the Associate Vice President & Dean of Students of SDES or designee.

- (a) This notification is received in the form of an incident report to the Office of Student Rights & Responsibilities, or a psychiatric evaluation filed with the UCF Police Department. The student will be withdrawn if the Executive Director of OSRR or designee concludes, on the basis of preponderance of evidence that the student engages or threatens to engage in behavior that may:
 1. Pose a significant danger of causing harm;
 2. Cause significant property damage or interferes with the educational environment of others at the university; or
 3. Demonstrates an inability to care for his/her daily physical or mental wellbeing without assistance and has failed to secure such assistance.
- (b) The Executive Director of OSRR or designee reserves the right to impose an immediate and interim withdrawal (the equivalent of an interim suspension), prior to the review of all information, if the Executive Director of OSRR or designee concludes that the student poses a threat to the welfare of any individual, the student body, or any part of the University or its community. In such cases, there will be a scheduling of a hearing within three (3) business days to determine the status of interim withdrawal. At this hearing, the student shall be offered an opportunity to provide documentation from an appropriate healthcare provider of their choice who has conducted a proper assessment.
- (c) The Executive Director of OSRR or designee will call a meeting of the University Crisis Team at the earliest possible date. The student may be present at this meeting and may present information in support of his/her case. Following the student's presentation, the team shall convene in executive session. At the conclusion of this meeting, the team shall make a recommendation to the Executive Director of OSRR or designee whether to withdraw the student, reinstate the student, or reinstate the student with conditions.
- (d) The Executive Director of OSRR or designee will make a final decision regarding the student's enrollment status and notify the student in writing within 24 hours of the Crisis Team's recommendation.
- (e) A student subject to involuntary withdrawal is entitled to the following:

1. Notice of intent to remove the student pursuant to this policy stating the reasons for the action.
 2. The opportunity to examine the psychiatric or other evaluations provided to the Crisis Team and to discuss them.
 3. The opportunity to present relevant information for consideration of his/her case personally, or by a licensed mental health professional working with that student, if the student is not capable of self-representation.
 4. The opportunity to have an advisor of the student's own choice accompany the student.
 5. The right to appeal.
- (f) In the event a student disagrees with the decision of the Executive Director of OSRR or designee, the student may appeal the decision. The appeal must be made in writing to the Vice President for SDES, or designee, within three (3) business days after the date of the notification to the student of the decision. The Vice President of SDES or designee, shall, within three (3) business days, sustain the initial decision or remand the case to the Crisis Team for re-consideration. The Vice President's decision will be considered final agency action.
- (g) Upon being withdrawn, the student may no longer enroll in classes, may not be an active member of a registered student organization, may no longer use University facilities, must vacate University owned housing, may no longer be permitted on University property, may not be employed by UCF, and may be entitled to whatever refunds of tuition, fees, and room and board charges as would be appropriate given the timing of the withdrawal.
- (h) Students who are involuntarily withdrawn from the University shall have a hold placed on their records, which will prevent them from being readmitted or reenrolled at the institution except as stated in this paragraph. A student may request readmission or reenrollment at the University and provide the Executive Director of OSRR or designee with documentation from an appropriate healthcare provider of their choice who has conducted a proper assessment of the student and concluded that the student does not pose a serious threat to others. In cases where the Executive Director of OSRR or designee has imposed other conditions for

readmission, it is the responsibility of the student to provide documentation of compliance with such conditions.

- (i) A student who is not involuntarily withdrawn may be subject to conditions to continue enrollment at the University. In such cases, the student will be provided with a written summary of conditions and must meet all conditions in order to maintain student status. A student who fails to meet such conditions may be subject to involuntary withdrawal by the Executive Director of the Office of Student Rights & Responsibilities or designee, or may be subject to charges through the University's Student Conduct Review Process for failure to comply.
- (j) The current medical withdrawal process should not be used to handle withdrawals related to mental health issues where an imminent threat to the community is evident or a violation of the Rules of Conduct has allegedly occurred. However, a student could choose to pursue a medical withdrawal within six (6) months of the end of the semester. As a general principle, the regular Student Conduct Review Process and its policies and practices are preferred in serious instances of misconduct, without regard to whether there might be mental health issues present. The procedures and specifications given in this regulation are to be employed in those extraordinary situations in which, in the judgment of the appropriate administrative officers, the regular Student Conduct Review Process is not applicable or cannot be applied.

(10) Title IX Policy and Procedure.

- (a) Federal law, specifically Title IX of the Education Amendments of 1972 (Title IX), prohibits discrimination on the basis of sex in education programs or activities. Title IX prohibits sex discrimination against students, staff and faculty—which includes acts of sexual misconduct, stalking and relationship violence. Title IX also prohibits retaliation for making a good faith report of sex discrimination or participating in or being a party to any proceeding involving sexual misconduct and/or interpersonal violence. A closely related federal law, Section 304 of the Violence Against Women Act (“Campus SaVE Act”), requires universities to increase transparency about the scope of sex-related violence on campus, guarantee victims enhanced rights, provide for standards in institutional conduct

proceedings, and provide campus wide prevention education and awareness programming.

- (b) The University of Central Florida is committed to fostering an environment in which all members of our campus community are safe, secure, and free from sex discrimination, including sexual misconduct, stalking, ~~and~~ relationship violence listed and defined in the Rules of Conduct (UCF-5.008) and Organizational Rules of Conduct (UCF-5.012). Our community expects that all interpersonal relationships and interactions – especially those of an intimate nature – be grounded upon mutual respect and open communication. When learning of conduct or behavior that may not meet these standards, community members are expected take an active role in promoting the inherent dignity of all individuals.
- (c) The university encourages any faculty, staff, student or non-student who thinks that he or she has been subjected to sex discrimination or retaliation by another student, member of the faculty or staff, or third party affiliated with the University to immediately report the incident to the Office of Institutional Equity.
- (d) The University strives to promote the safety and well-being of all students and employees. This information is applicable to students and employees regardless of their sexual orientation, gender identity, or gender expression.
- (e) Rights of the Complainant and the Respondent. Any individual (“Complainant”) who discloses having been subjected to sex discrimination, including sexual assault/misconduct, sexual exploitation, relationship violence, stalking, sexual or gender-based harassment, retaliation, or complicity, and any individual or registered student organization (“Respondent”) who has been accused of sex discrimination, including sexual assault/misconduct, sexual exploitation, relationship violence, stalking, sexual or gender-based harassment, retaliation, or complicity, are afforded the following rights throughout the university’s investigative process and the student conduct review process. These rights provide a fair process for both parties while also ensuring Complainant’s protections under Title IX and the Campus SaVE Act. These rights are in addition to the rights afforded in the student conduct review procedures outlined in UCF-5.009 (students) and UCF-5.013 (student organizations). –Complainant and Respondent rights include the following.

1. Both the Complainant and Respondent are permitted to have an advisor or support person accompany them throughout the university's investigative process and student conduct review process. This person will not represent the Complainant or Respondent, address witnesses, investigator(s), the hearing body, any other party, or otherwise directly participate throughout the university's investigative process and/or student conduct review process. In addition, if the selected person is a witness, the person cannot be an advisor or support person.
2. Both the Complainant and the Respondent have the right to remedial and protective measures and shall be notified of available assistance at the University.
3. Both the Complainant and Respondent will have equal opportunity to present relevant witnesses and other information during the investigative process and during a formal hearing. Prior to the initiation of the student conduct review process, the investigator has the discretion to determine the relevance of any proffered evidence and to include or exclude certain types of evidence. In general, the investigator will not consider statements of personal opinion, rather than direct observations or reasonable inference from the facts, or statements as to any party's general reputation for any character trait..
4. If the investigative process results in a recommendation to initiate the student conduct review process, both the Complainant and Respondent will receive notice to attend a preliminary conference meeting with the Office of Student Conduct and be informed of the available resolution options in the student conduct review process.
5. During the Student Conduct Review Process, both the Complainant and Respondent shall be informed of the Administrative Hearing Officer assigned to the case and shall have the opportunity to challenge the impartiality of the individual within three (3) business days of notification.
6. Both the Complainant and Respondent will be afforded similar and timely access to any information made available through the investigative process and/or that will be used during the student conduct review process.

7. If the matter proceeds to a formal hearing, both the Complainant and Respondent may submit a list of proposed questions related to the alleged incident to be asked during the formal hearing. The relevancy of proposed questions will be determined by the conduct officer or hearing body. During a formal hearing, all questions shall be asked through the hearing body. Both Complainant and Respondent should not be questioned directly by one another.
8. Both the Complainant and Respondent will have equal opportunity to present relevant witnesses and other information during the investigative process and a formal hearing. Relevancy and timeliness will be determined by the investigator(s), conduct officer or formal hearing body.
9. Both the Complainant and Respondent may not have irrelevant past conduct, including sexual history, discussed during the formal hearing. The issue of relevancy shall be determined by the investigator, conduct officer or the hearing body.
10. Both the Complainant and the Respondent will be provided access to participate, during the entire formal hearing in person, via videoconference, by telephone, or by other means available.
11. ~~Where there is a proposed finding of responsibility on one or more of the allegations as a result of formal hearing, both the Complainant and the Respondent may submit a statement to the Office of Student Conduct for consideration by the hearing body in recommending appropriate sanction(s). At least three (3) business days before the formal hearing,~~ ~~the~~ Complainant may submit a written statement describing the impact of the Prohibited Conduct on the Complainant and expressing a preference about the sanction(s) to be imposed. At least three (3) business days before the formal hearing, ~~the~~ Respondent may submit a written statement explaining any factors that the Respondent believes should mitigate or otherwise be considered in determining the sanction(s) imposed. The Office of Student Conduct will ensure that ~~each of the parties~~ the Complainant and the Respondent each have an ~~has a reasonable~~

opportunity to review any statement submitted by the other party before the formal hearing. The purpose of the statement(s) is to assist the hearing body in proposing a sanction. Therefore, the statement(s) will be given to the hearing body for consideration only if the hearing body makes a proposed finding of in violation on one or more allegations of sexual misconduct and/or interpersonal violence addressed in the formal hearing. The timeframe for submitting such statements shall not exceed five (5) business days from the date of the formal hearing.

12. Both the Complainant and Respondent will be informed, concurrently and in writing, of the outcome of the investigative process, the Student Conduct Review Process, and the outcome of the appeal process, in accordance with federal guidelines.
 13. Both the Complainant and the Respondent have the right to appeal the outcome of the Student Conduct Review Process on the basis outlined in the applicable Student Conduct Appeals section UCF-5.010 (individual student UCF-5.013 (registered student organizations).
 14. Both the Complainant and Respondent will be given periodic status updates throughout the investigative process and the Student Conduct Review Process.
- (g) Administrative hearing officers and panel members who hear cases of sex discrimination (including sexual harassment, sexual misconduct, stalking, and/or relationship violence) receive annual training on how to conduct fair and impartial hearings for these types of cases.

Authority: BOG Regulations 1.001 and 6.0105. History - Formerly 6C7-5.003, New 6-18-09, Amended 7-19-12, 9-5-13, 11-24-14, 10-29-15, 7-28-16, 7-20-17, _____-18.

UCF-5.008 Rules of Conduct

The following defined and described actions include, but are not limited to, conduct for which disciplinary action may be taken at the University of Central Florida. Students are responsible for the observation of all University policies and regulations. Each student is expected to abide by these rules of conduct, and administrators are expected to enforce them. These Rules of Conduct should be read broadly and are not designed to define prohibited conduct in exhaustive terms. Additional rules and regulations may be revised during the year; announcements will be made on adoption of the changes or additions. The right of all students to seek knowledge, debate ideas, form opinions, and freely express their ideas is fully recognized by the University of Central Florida. The Rules of Conduct apply to student conduct and will not be used to impose discipline for the lawful expression of ideas. Students are prohibited from engaging in:

(1) Academic Misconduct

- (a) Unauthorized assistance: Using or attempting to use unauthorized materials, information or study aids in any academic exercise unless specifically authorized by the instructor of record. The unauthorized possession of examination or course related material also constitutes cheating.
- (b) Communication to another through written, visual, electronic, or oral means. The presentation of material which has not been studied or learned, but rather was obtained through someone else's efforts and used as part of an examination, course assignment or project.
- (c) Commercial Use of Academic Material: Selling of course material to another person, student, and/or uploading course material to a third party vendor without authorization or without the express written permission of the University and the Instructor. Course materials include but not limited to class notes, Instructor's power points, course syllabi, tests, quizzes, labs, instruction sheets, homework, study guides, and handouts.
- (d) Falsifying or misrepresenting the student's own academic work.
- (e) Plagiarism: Whereby another's work is used or appropriated without any indication of the source, thereby attempting to convey the impression that such work is the student's own.
- (f) Multiple Submissions: Submitting the same academic work for credit more than once without the express written permission of the instructor.

- (g) Any student who knowingly helps another violate academic behavior standards is also in violation of the standards.

(2) Possessing and/or Providing False and Misleading Information and/or Falsification of University Records

- (a) Withholding related information, or furnishing false or misleading information (oral or written) to University officials, university and non-university law enforcement officers, faculty or staff.
- (b) Possession, use or attempted use of any form of fraudulent identification.
- (c) Forgery, alteration or misuse of any University document, material, file, record or instrument of identification.
- (d) Deliberately and purposefully providing false or misleading verbal or written information about another person.
- (e) Falsification, distortion, or misrepresentation of information during an investigation, the Student Conduct Review Process, including knowingly initiating a false complaint.

(3) Disruptive Conduct

- (a) Any act that impairs, interferes with, or obstructs the orderly conduct, processes, and functions of the University or any part thereof or the rights of one or more individuals.
- (b) Any act which deliberately impedes or interferes with the normal flow of pedestrian and vehicular traffic.
- (c) Any act which intentionally interferes with the election processes of any University registered student organization or group..
- (d) Misuse of any University safety equipment, firefighting equipment, or fire alarms.
- (e) A false report of an explosive or incendiary device, which constitutes a threat or bomb scare.
- (f) Breach of peace: an act, which aids, abets, or procures another person to breach the peace on the University premises or at University sponsored/related functions.
- (g) Failure to comply with oral or written instruction from duly authorized University officials (i.e. faculty, staff, administration, residence hall staff) acting within the scope of their job duties or law enforcement officers acting in the performance of their duties, including failure to identify oneself to these persons when requested to do so.

- (h) Failure to produce identification upon request by a University official (i.e. faculty, staff, administration, residence hall staff), acting within the scope of their job duties or law enforcement officers acting in the performance of their duties.
- (i) Hindering or interfering with the student conduct review process by failing to obey the notice from a university official to appear for a student conduct meeting or hearing; and/or attempting to discourage an individual's proper participating in, or use of, the student conduct review process.

(4) Harmful Behavior

- (a) Physical harm or threat of physical harm to any person. This harmful behavior policy may not apply in those instances where it is found that a student is acting in self-defense.
- (b) Verbal, digital, or written abuse, threats, intimidation, coercion and/or other conduct that endangers the health, safety, or wellbeing of others, or which would place a reasonable person in fear of bodily injury or death. This definition, however, shall not be interpreted to abridge the rights of the University community to freedom of expression protected by the First Amendment of the United States Constitution and any other applicable law.
- (c) Discriminatory Harassment: defined as verbal, physical, electronic, or other conduct based on a protected category (such as race, color, religion, national origin, gender equity, et al), which, due to the severity and pervasiveness of the conduct and its targeted nature on the basis of a protected category, (i) has the purpose or effect of creating an objectively intimidating, hostile or offensive educational or work environment; and (ii) has the purpose or effect of unreasonably interfering with an individual's employment, schooling, or business with the University. Harassment under this provision is conduct that would constitute harassment under federal or state civil rights laws or under University Regulation (UCF-3.001) and Prohibition of Discrimination, Harassment, and Related Interpersonal Violence Policy.
- (d) Bullying: Defined as behavior of any sort (including communicative behavior) directed at another, that is severe, pervasive, or persistent, and is of a nature that would cause a reasonable person or group in the target's position substantial emotional distress and undermine his or her ability to work, study, or participate in University

life or regular activities, or which would place a reasonable person in fear of injury or death.

- (e) Stalking: defined as repeated, unwanted conduct toward or contact with another person that creates fear for the person's safety or the safety of others, or causes an individual to suffer emotional distress. Such conduct is direct, indirect, or through a third party using any type of action, method, or means. Cyber stalking is also included in this definition.
- (f) Failure to respect the privacy of other individuals.
- (g) Retaliation against or harassment of complainant(s), other person(s) alleging misconduct, or anyone who participates in an investigation.
- (h) Condoning or encouraging acts of harmful behavior as defined above or failing to intervene during an act of harmful behavior while it is occurring.

(5) Sexual Misconduct and/or Interpersonal Violence

- (a) Nonconsensual Sexual Assault: Any nonconsensual sexual contact which occurs on or off the UCF campus.
 - 1. Consent is an understandable exchange of affirmative words or actions, which indicate a willingness to participate in mutually agreed upon sexual activity. Consent cannot be obtained by force, threat, coercion, manipulation, reasonable fear of injury, intimidation, use of position of influence, or through the use of one's mental or physical helplessness or incapacity. The lack of a negative response, lack of protest or resistance, silence and passivity are not consent. Consent to one form of sexual activity does not imply consent to other forms of sexual activity. Past consent to sexual activity does not imply ongoing future consent.
 - a. Responsibilities - It is the responsibility of the initiator to obtain clear and affirmative responses at each stage of sexual involvement.
 - b. Standard - A determination of whether consent exists will be based on the information the initiator of the sexual act knew or should have known as a sober, reasonable person. Being impaired by alcohol or other drugs does not relieve an initiator of a sexual act from obtaining consent.

- c. Incapacitation – Incapacitation is a state where an individual cannot make rational, reasonable decisions because of mental or physical helplessness, sleep, unconsciousness, or lack of awareness that sexual activity is taking place. A person may be incapacitated due to the consumption of alcohol or other drugs, or due to a temporary or permanent physical or mental health condition. A person who is incapacitated lacks the capacity to give consent because they cannot understand the facts, nature, or extent of the sexual interaction.
 - d. Duration of Consent - Consent must be ongoing throughout sexual activity, for each sexual act, and can be withdrawn at any time.
 - i. Within each sexual encounter, there may be separate individual sexual acts involved. Consent to one act by itself does not constitute consent to another act. If verbal consent is not given, ongoing active participation is required for consent.
 - ii. The existence of a dating or sexual relationship between the persons involved, or the fact of past sexual relations have occurred between the parties, is not an indicator of consent for any current or future sexual encounter.
 - iii. An individual who seeks to withdraw consent must communicate, through clear words or actions, a decision to cease the sexual activity. Once consent is withdrawn, the sexual activity must cease immediately.
 - e. Scope of Consent - Consent to engage in sexual activity with one person does not imply consent to engage in sexual activity with another.
2. Sexual Contact – includes but is not limited to the following behaviors:
- a. Touching, kissing, fondling (whether over or under clothing) of an individual for the purpose of sexual gratification; and/or
 - b. contact, however slight, between the mouth, anus or sex organ of one individual with either the anus or sex organ of another individual; and/or

- c. contact, however slight, between the anus or sex organ of one individual and any other object.
- (b) Sex Harassment: Sexual harassment is any unwelcome sexual advance, request for sexual favors, or other unwanted conduct of a sexual nature, whether verbal, non-verbal, graphic, physical, or otherwise, when the conditions for Discriminatory Harassment as defined in 5.008(4)(c), are present. This is conduct that would constitute sexual harassment under federal or state civil rights laws or under University Regulation UCF-3.001 Sexual Harassment may include inappropriate touching, acts of sexual violence, suggestive comments and public display of pornographic or suggestive calendars, posters, or signs where such images are not connected to any academic purpose. A single incident of nonconsensual sexual contact (as defined above) may be sufficiently severe to constitute sexual harassment.
- (c) Gender-Based Harassment: Discriminatory harassment that is based on gender, sexual orientation, gender identity, or gender expression, which may include acts of aggression, intimidation, or hostility, whether verbal or non-verbal, graphic, physical, or otherwise, even if the acts do not involve conduct of a sexual nature, when the conditions for Discriminatory Harassment as defined in UCF-5.008(4)(c) are present.
- (d) Obscene or Indecent Behavior: Exposure of one's body in such a manner that another party reasonably could be offended or to display sexual behavior which another person reasonably finds offensive.
- (e) Voyeurism: Trespass, spying, or eavesdropping for the purpose of sexual gratification.
- (f) Solicitation of a Minor: soliciting sexual acts from a minor by oral, written, or electronic means.
- (g) Child Pornography: possessing, producing or the dissemination of child pornography
- (h) Relationship Violence: Relationship Violence includes any act of violence or threatened act of violence that occurs between individuals who are involved or have been involved in a sexual, dating, spousal, domestic, or other intimate relationship. Relationship Violence may include sexual assault, stalking, and physical assault. Relationship Violence may involve a pattern of behavior used to establish power and control over another person through fear and intimidation or may involve one-time conduct. A pattern of behavior is typically determined based on the repeated use of

words and/or actions and inactions in order to demean, intimidate, and/or control another person. This behavior can be verbal, emotional, and/or physical and may be directed towards the former partner, their property, or other individuals. Examples of Relationship Violence may include, but are not limited to: slapping; pulling hair; punching; damaging another person's property; driving recklessly to scare someone; name calling; humiliating another person in public; harassment directed toward a current or former partner or spouse; and/or threats of abuse, such as threatening to hit, harm, or use a weapon on another (whether Complainant or acquaintance, friend, or family member of the Complainant), or other forms of verbal threats.

- (i) Stalking: Stalking occurs when a person engages in a course of conduct directed at a specific person under circumstances that would cause a reasonable person to fear for the person's safety or the safety of others, or to experience substantial emotional distress. A "course of conduct" is two or more acts, including but not limited to acts in which a person directly, indirectly, or through third parties, by any action, method, device, or means, follows, monitors, observes, surveils, threatens, or communicates to or about another person, or interferes with another person's property. Stalking includes "cyber-stalking," a particular form of stalking in which a person uses electronic media, such as the internet, social networks, blogs, phones, texts, or other similar devices or forms of contact. Stalking may include, but is not limited to: non-consensual communications (face to face, telephone, e-mail); threatening or obscene gestures; surveillance/following/pursuit; showing up outside the targeted individual's classroom or workplace; sending gifts and/or notes (romantic, bizarre, sinister, or perverted); and/or making threats.
- (j) Sexual Exploitation: Sexual Exploitation is purposely or knowingly doing or attempting to do any of the following:
 - 1. Recording or photographing private sexual activity and/or a person's intimate parts (including genitalia, groin, breasts or buttocks) without consent;
 - 2. Disseminating or posting images of private sexual activity and/or a person's intimate parts (including genitalia, groin, breasts or buttocks) without consent;

3. Allowing third parties to observe private sexual activity from a hidden location (e.g., closet) or through electronic means (e.g., Skype or livestreaming of images);
 4. Subjecting another person to human trafficking; or
 5. Exposing another person to a sexually transmitted infection or virus without the other's knowledge.
- (k) Complicity: Complicity is any act taken with the purpose of aiding, facilitating, promoting or encouraging the commission of an act prohibited by the Rules of Conduct Section UCF-5.008(5).
- (l) Any attempted acts of sexual misconduct and/or interpersonal violence defined above are also violations of this policy.
- (6) Larceny/Property Damage
- (a) Unauthorized use, possession, or theft of property or service. Such property may be personal or public.
 - (b) Damage or defacing of University property or the property of another person whether or not it is on University premises.
- (7) Hazing
- (a) Any action or situation which recklessly or intentionally endangers the mental or physical health and/or safety of a student for the purpose of initiation or admission into, or affiliation with, any organization operating under registration with the University. Hazing may result in felony charges.
 - (b) Brutality of a physical nature such as whipping, beating, branding, forced calisthenics, exposure to the elements; forced consumption of any food, liquid, liquor, drug, or other substances; or other forced elements; or other forced activity which could adversely affect the mental or physical health or safety of the individual.
 - (c) Any activity which could subject the individual to mental stress such as sleep deprivation, forced exclusion from social contact, forced contact which could result in embarrassment, or any other activity which could adversely affect the mental health or dignity of the individual.
 - (d) Forcing or requiring the violation of University policies, federal, state, or local law.

- (e) Any activity, as described above, upon which the initiation or admission into or affiliation with a University of Central Florida organization may be directly or indirectly conditioned, shall be presumed to be a “forced” activity, the willingness of an individual to participate in such an activity notwithstanding.
- (8) Misuse or Unauthorized Use of Facilities and Grounds
- (a) Misuse or unauthorized use of classroom or laboratory facilities.
 - (b) Abusing grounds or building structures including, but not limited to ramps, rails, stair sets and entryways by means of recreational cycling, skating, scootering, or other recreational activities or devices as outlined in Regulation UCF-4.036.
 - (c) Unauthorized entry or attempted entry to any University facility.
 - (d) Unauthorized possession, duplication or use of keys to any University premises.
- (9) Misconduct at University Sponsored/Related Activities
- (a) Violation of UCF rules of conduct at UCF sponsored related activities shall also be a violation of the golden rule.
 - (b) Violations of a regulation(s) of a host institution sponsored/related activity shall be a violation of the golden rule.
- (10) Controlled Substance and Drug Violations
- (a) Possessing, consuming, or attempting to possess cannabis in any amount.
 - (b) Cultivating, manufacturing, or attempting to obtain cannabis in any amount.
 - (c) Possessing, consuming, cultivating, manufacturing, or attempting to possess any controlled substances other than cannabis, except as expressly permitted by law.
 - (d) Selling or distributing cannabis or any other controlled substances other than alcohol.
 - (e) Possessing or attempting to possess any drug related paraphernalia.
 - (f) Misconduct under the influence of controlled substance(s) and/or drugs other than alcohol.
 - (g) Drug Emergencies - University Expectations for Individuals
 - 1. University of Central Florida students who receive medical attention due to drug-related emergencies may be exempt from disciplinary action as part of the conditions for drug emergencies after review by the Director of the Office of Student Conduct. Students eligible for exemption will be referred for

assessment and follow-up services in lieu of the student conduct review process.

2. Students who receive medical assistance for drug-related emergencies may receive exemption for violations of the Rules of Conduct Section 10(a)- 10(f) ; however, exemption for other Rules of Conduct violations may not be granted. The Director of the Office of Student Conduct reserves the right to review each incident individually to determine whether the student will be exempt from disciplinary action. The Director of the Office of Student Conduct maintains the right to recommend additional requirements for students who are referred for assessment and fail to meet the requirements of their assessment. For subsequent incidents, appropriate interventions will be handled on a case by case basis.
3. Students who seek medical assistance on behalf of another impaired student may be exempt from disciplinary action for violations of the Rules of Conduct Section 10(a)- 10(f) . However, exemption for other Rule of Conduct violations may not be granted.
4. For parental notification regarding medical transports for drug-related incidents, refer to the Parental Notification Policy ~~in the~~ on the Office of Student Conduct website <http://osc.sdes.ucf.edu/notification>.
5. For information regarding alcohol emergencies please refer to 5.008(11)(d) below. [Additional information regarding emergencies can be found on the Office of Student Conduct website: http://osc.sdes.ucf.edu/drugs.](http://osc.sdes.ucf.edu/drugs)

(11) Alcoholic Beverages Violation

- (a) Possessing or consuming alcoholic beverages, or possessing or using alcohol-related paraphernalia, except as expressly permitted by the law and University Regulations and/or Policies.
- (b) Selling or distributing alcoholic beverages or alcohol-related paraphernalia, except as expressly permitted by law and University Regulations and/or Policies
- (c) Misconduct under the influence of alcohol
- (d) Alcohol Emergencies- University Expectations for Individuals.

1. University of Central Florida students who receive medical attention due to alcohol-related emergencies may be exempt from disciplinary action as part of the conditions for alcohol emergencies after review by the Director of the Office of Student Conduct. Students eligible for exemption will be referred for assessment and follow-up services in lieu of the student conduct review process.
2. Students who receive medical assistance for alcohol emergencies may receive exemption for violations of the Rules of Conduct Section 11(a)- 11(c) ; however, exemption for other Rules of Conduct violations may not be granted. The Director of the Office of Student Conduct reserves the right to review each incident individually to determine whether the student will be exempt from disciplinary action. The Director of the Office of Student Conduct maintains the right to recommend additional requirements for students who are referred for assessment and fail to meet the requirements of their assessment. For subsequent incidents, appropriate interventions will be handled on a case by case basis.
3. Students who seek medical assistance on behalf of another intoxicated student may be exempt from disciplinary action for violations of the Rules of Conduct Section 11(a)- 11(c) . However, exemption for other Rule of Conduct violations may not be granted.
4. For parental notification regarding medical transports for alcohol-related incidents, refer to the Parental Notification Policy in the on the Office of Student Conduct website: <http://osc.sdes.ucf.edu/notification>.
5. Additional information regarding alcohol emergencies can be found ~~on through~~ the Office of Student Conduct website <http://osc.sdes.ucf.edu/alcohol>.

(12) Possession of Weapons and/or Dangerous Material

- (a) The possession, use, or storage of weapons on property owned or controlled by the University or at events sponsored and/or supported by the University is prohibited, except as specifically outlined in University Policy 3-119.1 (Weapons on University Property and at University Events).

- (b) Possession or use of fireworks of any description, explosives, or chemicals which are disruptive, explosive, or corrosive are prohibited on University premises or at University sponsored/related activities.

(13) Instigation or Participation in Group Disturbances during Demonstrations, Parades, or Picketings

- (a) Participation in a demonstration(s), parade(s), or picketing which invades the rights of others, which interferes with the educational function of the University, or which jeopardizes public order and safety.
- (b) Leading or inciting others to disrupt scheduled and/or normal activities within any campus building or area.

(14) Misuse of Computing and Telecommunications Resources

- (a) Theft or other abuse of computer facilities and resources
- (b) Unauthorized entry into a file, to use, read, or change the contents, or for any other purpose.
- (c) Unauthorized transfer of a file.
- (d) Use of another individual's identification and/or password.
- (e) Use of computing facilities and telecommunications resources to interfere with the work of another student, faculty member or University Official.
- (f) Use of computing facilities and telecommunications resources to send obscene or abusive messages.
- (g) Use of computing facilities and telecommunications resources to interfere with normal operation of the University computing system.
- (h) Use of computing facilities and telecommunications resources in violation of copyright laws.
- (i) Any violation of the University of Central Florida Use of Information Technology and Resources Policy.
- (j) Any violation of the University of Central Florida ResNet Acceptable Use Policy.

(15) Gambling

- (a) Play in an unlawful game of chance for money or for anything of value on University premises or at any affair sponsored by a student or student organization.

- (b) Unlawfully sell, barter or dispose of a voucher or any item for participation in a scheme of chance by whatever name on University premises or at any affair sponsored by a student or registered student organization.
- (c) Wager on a University team or organization in a competition, with a direct influence in the success of the competition.

(16) University Student Residence Violations. Violation(s) of any Department of Housing and residence Life policy, rule or regulation published in hard copy or available electronically via Department of Housing and Residence Life website.

(17) University Wordmark Violations. Unauthorized use of the official University wordmark, Pegasus, monogram, seal, or other graphic identity symbol.

(18) Violation of Local, State, and/or Federal Laws. Violation of any local, state and/or federal law that may result in a felony or misdemeanor.

Authority: BOG Regulations 1.001 and 6.0105. History – Formerly 6C7-5.0042, New 6-18-09, Amended 7-19-12, 9-5-13, 11-20-14, 10-29-15, 7-28-16, 7-20-17, _____-18.

UCF-5.009 Student Conduct Review Process; Sanctions

(1) Violation Reports. Alleged violations of the UCF Rules of Conduct shall be reported in writing to the Director of the OSC or designee. Upon receiving an alleged violation of misconduct, the Director of the OSC or designee may review relevant information and consult with relevant parties regarding the incident in question. Where deemed necessary to protect the safety and well-being of others, of the university, or of property, the Director of the OSC or designee, upon notifying the VP of SDES or designee, may take immediate action to resolve the safety and/or well-being concern by placing the student on interim suspension. Interim suspension is not a sanction. An interim suspension is subject to review at a hearing within three (3) business days by the VP of SDES or designee to determine the status of the interim suspension. The outcome of an interim suspension hearing shall remain in effect until the final disposition of formal charges resulting from the circumstances of the case, unless the VP of SDES or designee shall decide otherwise.

- (a) The Director of the OSC will refer all information warranting disciplinary action and assign the case to the appropriate staff member. The Office of Student Conduct will send written notification to the charged student indicating the nature of the activity in question and what university rules were allegedly violated.
- (b) Upon receipt of an incident report the Office of Student Conduct has six months to charge a student with a violation of the Rules of Conduct. The Office of Student Conduct may exercise discretion when applying the time provision to account for circumstances that warrant a waiver of the six month time limit from the date of discovery. For Title IX related cases see UCF-5.006(10).
- (c) Students charged with alleged violations of the Rules of Conduct will receive notice to attend a required preliminary conference with the Office of Student Conduct to discuss the charges. If the student fails to attend that conference, a hold may be placed on the student's record, preventing them from registering for future classes until the matter is resolved. Students who leave the university or withdraw from a class before a disciplinary matter is resolved may be prohibited from future enrollment until such time as the matter is resolved. The student will receive information regarding the Student Conduct Review Process, including the student's rights during the process, an opportunity to inspect and/or review the information known at the time charges are prepared, and notice on how to contact the Student Government Association Judicial Advisor. At the conclusion of the meeting, the

Office of Student Conduct recommends an option for resolution of the disciplinary charges.

(2) Options for Resolution of Disciplinary Charges

(a) Case Dismissal: The Director of the OSC or designee may dismiss a case if it is found to not have sufficient facts or information to substantiate the claim of misconduct, the accused person is not a student, or the action claimed as misconduct is not a violation of the rules of conduct.

~~(b) Documentation only with an Educational Requirement: this resolution option is only available for cases where the accused student accepts responsibility with an Office of Student Conduct staff member or designee and the reported violation is not seen as especially egregious by the Office of Student Conduct. The reported student will be required to must complete an educational sanction. An Office of Student Conduct hold will be placed on the student's record until the educational sanction completed in full and seen by the Office of Student Conduct as complete.~~

(be) Mediation: Depending on the nature and severity of the alleged violation, the Office of Student Conduct may recommend formal mediation through the Office of Student Rights and Responsibilities as an alternative to disciplinary action. The involved parties must each agree to mediation. Mediation is confidential. In mediation, the parties voluntarily meet with an impartial mediator to communicate their concerns and needs to each other and to reach their own agreement on the resolution of the case. The participants in mediation are responsible for keeping their agreement or renegotiating it, if necessary. In the event that the participants do not agree to mediate or mediate but do not reach a full and final resolution, the case will be referred back for disciplinary action through an informal or a formal hearing. Breach of a mediated agreement may result in a follow up mediation session or the matter may be referred back through the conduct process at the discretion of the Office of Student Conduct. Mediation will not be a resolution option for cases involving allegations of incidents of sexual misconduct and/or interpersonal violence.

(cd) Informal Hearing: At the discretion of the Office of Student Conduct, violations found not to warrant a formal hearing may be referred to an informal hearing. At the informal hearing the charged student has the opportunity to meet with an Office of Student Conduct staff member or designee and accept responsibility for the charges

of violation of the Rules of Conduct. At the informal level the matter will be settled by the following outcomes: punitive sanction (disciplinary warning, ~~or~~ disciplinary probation, or deferred suspension) as well as educational sanctions (papers, seminars, community service, etc.). If the matter is not resolved informally, the case will be resolved through a formal hearing. The outcomes from an informal hearing process (decision of responsibility and recommended sanctions) are final and are not eligible to be appealed (UCF-5.010).

- (de) Formal Hearing: If an alleged violation of the Rules of Conduct is not dismissed or otherwise resolved, then the Office of Student Conduct shall present in writing formal charges to the student. The charged student may request either a panel or administrative hearing. The charged student's hearing shall be open only to the charged student, his/her advisor, the hearing body, witnesses (when called upon), and a representative from the Office of Student Conduct. For cases of sexual misconduct and/or interpersonal violence, the hearing shall also be open to the complainant and advisor. In cases of alleged Academic Misconduct, the student is required to have an academic integrity panel hearing as stated in UCF-5.015.

Formal notification shall include:

1. The student's name and address.
2. Date, time and location of the formal hearing.
3. The rule(s) of conduct allegedly violated as known at the time formal charges are prepared.
4. Names of potential witnesses known at the time formal charges are prepared.
5. A description of any physical or written documentation known at the time charges are prepared.

(3) Formal Hearings.

There are two types of formal hearings – panel hearings and administrative hearings.

(a) Panel Hearings.

1. A panel to consider an individual case shall be randomly selected by the Office of Student Conduct from the Student Conduct Board and shall consist of two (2) faculty and administrative staff members combined, and two (2) student members. One panel member shall be selected by the Office of

Student Conduct to chair the hearing and report the proposed finding(s) and recommended sanctions, if any, to the Director of the OSC or designee.

2. At hearings conducted by a panel, an Office of Student Conduct staff member shall act as an advisor to the panel. The Director of the OSC or designee shall receive the panel's proposed finding(s) as to "in violation" or "not in violation" of the Rules of Conduct, and consider any sanctions proposed by the panel.
3. The Director of the OSC or designee may accept the proposed finding(s) of "in violation" or "not in violation" or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding(s) of "in violation," they may approve, mitigate or increase the sanctions proposed by the panel.
4. Any decision by the Director of the OSC or designee to alter proposed sanctions or remand a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.

(b) Administrative Hearings

1. Administrative hearings shall be conducted by one faculty or staff member selected by the Office of Student Conduct from the Student Conduct Board. The charged student shall be informed of the hearing officer assigned to the case and shall have the opportunity to challenge the impartiality of the individual within three (3) business days of notification. The student shall state in writing the basis for such challenge. A hearing officer so challenged will be excused; however, indiscriminate challenges shall not be permitted. In the event that a student has opted not to challenge the impartiality of a hearing officer prior to the allotted three (3) business days, the assigned hearing officer shall remain as scheduled.
2. At hearings conducted by an administrative hearing officer, an Office of Student Conduct staff member shall act as an advisor to the administrative hearing officer. The Director of the OSC or designee shall receive the administrative hearing officer's proposed finding(s) as to "in violation" or "not in violation" of the Rules of Conduct, and consider any sanctions proposed by the administrative hearing officer.

3. The Director of the OSC or designee may accept the proposed finding(s) of “in violation” or “not in violation” or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding(s) of “in violation,” they may approve, mitigate or increase the sanctions proposed by the administrative hearing officer.
 4. Any decision by the Director of the OSC or designee to alter sanctions or remand a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
- (c) Conduct of Formal Hearings - the following is furnished as a guide to the sequence of events in a formal hearing. Please note that all formal hearing proceedings are recorded. The recording is part of the official record of the formal hearing and no other recordings are permitted.
1. Reading of charges.
 2. Student response of “in violation” or “not in violation.”
 3. Presentation of information in support of the charges.
 4. Opening statement by the charged student.
 5. Questioning of the charged student.
 6. Presentation and questioning of all other parties.
 7. Final questions of the charged student by the hearing body.
 8. Closing remarks by the charged student.
 9. Hearing is brought to a close.
- (10) ~~The~~ student is invited to await announcement of the proposed finding(s) and recommended sanction(s), if any.
- (d) Deliberations by the ~~panel or the administrative hearing officer~~ hearing body are not part of the hearing and are confidential. Deliberations occur after the closure of the hearing and are not recorded. Following deliberations, the ~~panel or the administrative hearing officer~~ hearing body will prepare a written statement of its proposed finding(s) and, if applicable, recommend sanctions.~~announce to the student the proposed finding(s) and proposed sanction(s), if any. The announcement of the proposed finding(s) and proposed sanction(s), if any, will be recorded as part of the official case record.~~

- (e) Case Record for Formal Hearing - The case record shall consist of the following items:
1. A copy of the formal charges in writing.
 2. A recording of the formal hearing.
 3. A recording of the announcement of the proposed finding(s) and proposed sanctions, if any.
 4. All staff memoranda submitted.
 5. All items of physical or written documentation submitted, provided such items are not returned to a rightful owner. In that case, photographs or other facsimiles shall be made before return.
 6. The proposed finding(s) and sanction(s) by the hearing panel or administrator, if any.
 7. The Director of the OSC's or designee's decision.

- (f) Student Conduct Board members for panel and administrative formal hearings are selected through an annual application and interview process with the exception of the justices from the Student Government Association Judicial ~~Branch Council~~. All Student Conduct Board members, including justices, receive annual training from the Office of Student Conduct. Student Conduct Board members who serve on hearings related to allegations of sex discrimination, including but not limited to relationship violence, sexual assault, sex harassment, and stalking receive additional training annually.

(4) Student Rights in the Student Conduct Review Process.

The following rights shall be explained to each charged student prior to the commencement of any formal disciplinary hearing:

- (a) The charged student shall be afforded reasonable written notice, at least five (5) business days prior to the formal hearing, unless waived in writing. Written notice sent to the charged student's electronic and/or physical address listed in the Registrar's records shall constitute full and adequate notice. Written notice shall include:
1. The student's name and address.
 2. Date, time and location and nature of the proceeding of the formal hearing.

3. The rule(s) of conduct allegedly violated as known at the time formal charges are prepared.
 4. Names of potential witnesses known at the time formal charges are prepared.
 5. A description of any written or physical documentation known at the time charges are prepared.
- (b) The student may have, at his or her own expense and initiative, an advisor present at the hearing. It is the student's responsibility to make appropriate arrangements for the advisor to attend the hearing, and the hearing shall not be delayed due to scheduling conflicts of the chosen advisor. The advisor may be present to advise the student but shall not speak for or present the case for the student or otherwise participate directly in the proceeding. The student may consult with their advisor at any time during the hearing. This consultation must take place in a manner that does not disrupt the proceedings. In addition, an advisor may not serve as a witness. If the advisor does not adhere to their defined role in the student conduct review process, they may be removed from the hearing.
- (c) All hearings shall be conducted on the basis that the charged student is not in violation until the preponderance of evidence proves otherwise. At a hearing, the technical rules of evidence applicable to civil and criminal cases shall not apply. The burden of proof in a student conduct hearing is not on the student charged with a violation of the Rules of Conduct.
- (d) The student may inspect any information presented in support of the charges at least three (3) business days before the formal hearing. The University also has the right to review any information the student intends to use at least three (3) business days before the formal hearing. Only such information that is determined "Relevant Information" will be made part of the hearing record.
- (e) The university cannot compel any person to attend a formal hearing. However, all parties may arrange for witnesses to voluntarily present Relevant Information during the proceeding. The student may hear and question adverse parties who testify at the hearing.
- (f) The student shall not be forced to present self-incriminating information; however, the University is not required to postpone disciplinary proceedings pending the outcome of any civil or criminal case. The University's formal hearing is not a

criminal or judicial proceeding and is designed to address student behavior; therefore, alleged violations of the UCF Rules of Conduct will be addressed independently of any outcome imposed by the courts for a criminal offense.

- (g) The proposed finding, as well as the Director of the OSC's or designee's determination, of "in violation" or "not in violation" on the charges shall be based solely on the information presented at the formal hearing.
- (h) Only if the proposed finding of the hearing body is that the student is in violation, will prior conduct history will then be reviewed and potentially affect proposed sanctioning.
- (i) The results of any formal hearing shall be made available to the charged student within seven (7) business days following the hearing ~~(deadline can be extended by mutual agreement of the charged student and the Director of the OSC's or designee)~~. Should the OSC need additional time, the deadline can be extended by the Director of the OSC or designee by notifying the charged student. For academic integrity cases, the results of any formal hearing shall be made available to the charged student within fourteen (14) business days following the hearing.
- (j) The student's enrollment status shall remain unchanged pending the University's final agency action in the matter, except in cases where the VP of SDES or designee determines that the safety, health, or general welfare of the student, any individual, or any part of the University may be involved.

(5) Additional Procedures in Cases of Sexual Misconduct and/or Interpersonal Violence. Where a student is charged with sexual misconduct and/or interpersonal violence, the procedures outlined in UCF-5.006(10) will apply in addition to the procedures of the Student Conduct Review Process outlined above.

(6) Sanctions.

- (a) Disciplinary Warning - An official warning that the student's behavior is in violation of the UCF Rules of Conduct, and that if the student is subsequently found in violation of a rule while on disciplinary warning; subsequent action may be more severe.
- (b) Disciplinary Probation - Disciplinary probation status shall be for a specific length of time in which any further violation of the rules of conduct puts the student's status with the University in jeopardy. If the student is found "in-violation" for another

violation of the rules of conduct, while on disciplinary probation, more severe sanctions may be imposed such as suspension or expulsion. Restrictive conditions may be imposed and vary according to the severity of the offense. While on disciplinary probation, restrictive conditions may include, but may not be limited to the following: loss of good standing, which may become a matter of record; denial of the privilege to occupy a position of leadership or responsibility in any University registered student organization, publication, or activity, or ability to represent the University in an official capacity or position; trespass of University facilities or other areas of campus or contact with another specified person(s). Under disciplinary probation, the student may continue to attend classes and is given a chance to show capability and willingness to live in accordance with University rules. However, if the student is subsequently found in violation of a rule while on disciplinary probation, the University may suspend or expel the student from the University. While on Disciplinary Probation, a hold will be placed on a student's record for record keeping purposes.

- (c) Deferred Suspension - Deferred suspension is used for offenses found serious enough to warrant disciplinary suspension, but where the specific circumstances of the case mitigate the offense or for repeated offenses of a less serious nature. Deferred suspension is a designated period of time during which a student is given the opportunity to demonstrate the ability to abide by the community's expectations of behavior articulated in the Rules of Conduct. During a deferred suspension, the student will be officially suspended from the university, but the suspension will be deferred, meaning that the student may continue to attend classes. ~~However, the~~ suspension will be ~~automatically~~ enforced for failure to complete any assigned sanctions by the deadline(s) and/or for any subsequent violation of the Rules of Conduct, unless the Director of the OSC determines otherwise in exceptional circumstances. If the student is found in violation for any subsequent violation(s) of the Rules of Conduct while on deferred suspension, including failure to complete any assigned sanctions by the deadline(s), the student will be ~~automatically~~ suspended for a minimum of two (2) semesters in addition to the educational sanctions imposed for the subsequent violation. Students placed on deferred suspension will have a conduct overlay placed on their transcripts for the period of time that the deferred

suspension is in effect. The conduct overlay is a notation indicating that the student is not in good standing. ~~Students on deferred suspension may be limited in their abilities to represent the university on any athletic team other than intramurals, hold an office in any registered student organization, represent the university in any extracurricular activity or official function, or participate in any study abroad program.~~ Deferred Suspension may also include the denial of specific university privileges, including but not limited to loss of good standing, which may become a matter of record; denial of the privilege to occupy a position of leadership or responsibility in an University registered student organization, publication, or activity, or ability to represent the University in an official capacity or position; trespass of University facilities or other areas of campus or contact with another specified person(s); attendance at athletic functions, unrestricted library use, parking privileges, university computer and network usage, and residence hall visitation for a designated period of time. The duration of any deferred suspension period and the specific restrictions imposed will be determined by the OSC on a case-by-case basis.

- (d) Disciplinary Suspension - A student involved in an offense warranting consideration of action more serious than ~~deferred suspension~~disciplinary probation or one involved in repeated misconduct may face disciplinary suspension. During the period of disciplinary suspension, a student may not be enrolled in classes, participate in University related activities, whether they occur on or off campus. A student under disciplinary suspension may not otherwise be present on University premises unless authorized in writing in advance under conditions approved by the Director of the OSC. Upon being withdrawn, the student may no longer enroll in classes, may not be an active member of a Registered Student Organization, may no longer use university facilities, must vacate university owned housing, may no longer be permitted on university property, may not be employed by the University, and may be entitled to whatever refunds of tuition, fees, and room and board charges as would be appropriate given the timing of the withdrawal. In determining if and to what extent suspended students shall be authorized to be on University premises, the Director of the OSC or designee shall consider whether the suspension creates an undue hardship on the disciplinary suspended student in regard to considerations that include, but are not limited to, the medical needs of the student. An overlay will be

placed on a student's record during the period of disciplinary suspension. Further, while on disciplinary suspension, a hold will be placed on a student's record for record keeping purposes. All assigned educational sanctions must be completed prior to the conclusion of disciplinary suspension; otherwise the disciplinary suspension will remain in effect.

- (e) Disciplinary Dismissal – Dismissal is a sanction which removes the student from the individual's academic program and separates the student from the University for a period of at least two years and up to seven years. A dismissed student has none of the rights or privileges of a student of the University. Following disciplinary dismissal, the individual must apply for readmission to the University. Readmission is possible but not guaranteed and will only be considered after the two to seven year time allotted from the effective date of the dismissal, based on meeting all readmission criteria and obtaining clearance from the Associate Vice President and Dean of Students or designee. This may include restricted access to campus and/or other specified activities.
- (f) Disciplinary Expulsion - Expulsion is a sanction which removes the student from the individual's academic program and permanently separates a student from the University without opportunity to graduate or re-enroll at the university in the future. An overlay will be permanently placed on the student's record. Further, a hold will be permanently placed on a student's record for record keeping purposes.
- (g) Recommendation for Degree Revocation – The University of Central Florida reserves the right to revoke any UCF degree awarded to any student. Reasons for degree revocation may include academic dishonesty, grade change, administrative error, disciplinary misconduct, or student request (see UCF Policy 4-406).
- (hg) Educational Sanctions - In conjunction with a sanction listed above, a student found to have been in violation of any of the Rules of Conduct will be assigned educational requirements such as, but not limited to, reflective/research papers, classes/seminars, community service, interviews, etc. If a student has any outstanding educational requirements at the conclusion of disciplinary probation or disciplinary suspension, a student's disciplinary probation or disciplinary suspension status and hold will remain in effect pending the completion of the educational requirements.

*Authority: BOG Regulations 1.001 and 6.0105. History - Formerly 6C7-5.0041, New 6-18-09.
Amended 9-5-13, 3-5-15, 10-29-15, 7-28-16, 7-20-17, _____-18.*

UCF-5.010 Student Conduct Appeals

(1) Appeals within the Student Conduct Review Process

- (a) Students found in violation as a result of a formal hearing may appeal the finding(s) and sanction(s) imposed. The appeal must be made in writing to the Appellate Officer (VP of SDES or designee) within seven (7) business days after the date the student was notified of the decision by the Director of the OSC or designee. The appeal form can be found at <http://osc.sdes.ucf.edu/process>.
- (b) Students may appeal the finding and sanction(s) imposed on the basis of one or more of the following:
 - 1. Irregularities in fairness and stated procedures of the hearing that could have affected the outcome of the hearing.
 - 2. Discovery of new and significant information that could have affected the outcome of the hearing and that was not known or could not reasonably have been discovered and/or presented at the time of the initial hearing.
 - 3. The sanction(s) are extraordinarily disproportionate to the violation(s).
- (c) On the appeal form, the student must state the reason(s) for appeal, the supporting facts, and the recommended solution. This is not a re-hearing of the conduct case. An appeal cannot be filed simply because a student is dissatisfied with the decision. Failure to describe the nature of the information in full detail in the appeal letter will result in the denial of an appeal.
- (d) The Appellate Officer shall first determine if sufficient grounds for appeal exist and then, if so, may either deny the appeal, thus sustaining the initial decision, or do one of the following:
 - 1. If the student alleges that the sanction was disproportionate to the violation(s) and the Appellate Officer finds the sanction to be disproportionate, the Appellate Officer may ~~alter~~ reduce the sanction.
 - 2. If the student alleges that there was a defect in procedure or new information was presented which was sufficiently substantial to have affected the outcome and the Appellate Officer agrees, the Appellate Officer will order a new hearing.

- (e) ~~The student shall receive a written decision to the appeal within twenty business days (deadline can be extended by mutual agreement of the charged student and the Appellate Officer).~~ The appellate officer should issue a written decision to the student's appeal within twenty (20) business days of receipt of the appeal. Should the appellate officer require additional time for review beyond the twenty (20) business days, the appellate officer shall notify the charged student in writing of the need for additional time. Decisions of the ~~A~~appellate ~~O~~fficer reflect final agency action.
- (f) Any decision by an ~~A~~appellate ~~O~~fficer to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
- (g) The Office of Student Conduct cannot place an overlay on the student's record until the appeal decision is completed or if the student chooses not to appeal. At such time, if appropriate, a hold and/or overlay, is placed on the student's record. If the ~~A~~appellate ~~O~~fficer upholds the original findings, the effective date of any disciplinary sanction(s) imposed will revert back to the date of the Director of the OSC's or designee's final decision letter.

(2) Appeals within the Student Conduct Review Process for Cases Involving Sexual Misconduct and/or Interpersonal Violence

- (a) Complainants and Respondents in matters involving allegations of sexual misconduct and/or interpersonal violence (as defined above in Regulation UCF-5.008(5)) may appeal the finding(s) and sanction(s) imposed from a student conduct formal hearing. The appeal must be made in writing to the Appellate Officer (VP of SDES or designee) within seven (7) business days after the date both the Respondent and ~~Complainant Claimant~~ are notified of the decision by the Director of the OSC or designee. The appeal form can be found at <http://osc.sdes.ucf.edu/process>.
- (b) Complainants and Respondents may appeal the finding and sanction(s) imposed on the basis of one or more of the following:
 - 1. Irregularities in fairness and stated procedures of the hearing that could have affected the outcome of the hearing.

2. Discovery of new and significant information that could have affected the outcome of the hearing and that was not known or could not reasonably have been discovered and/or presented at the time of the initial hearing.
 3. The sanction(s) are extraordinarily disproportionate to the violation(s).
- (c) On the appeal form, the student must state the reason(s) for appeal, supporting facts, and the recommended solution. Failure to describe the nature of the information in full detail in the appeal letter will result in the denial of the appeal.
- (d) The ~~A~~ppellate ~~O~~fficer shall first determine if sufficient grounds for appeal exist and then, if so, may either deny the appeal, thus sustaining the initial decision and sanction(s) or do one of the following:
1. If the Complainant or Respondent alleges that the sanction was disproportionate to the violation(s) and the ~~A~~ppellate ~~O~~fficer finds the sanction to be disproportionate, the ~~A~~ppellate ~~O~~fficer may alter the sanction.
 2. If the Complainant or Respondent alleges that there was a defect in procedure or new information was presented ~~that~~which was sufficiently substantial to have affected the outcome and the ~~A~~ppellate ~~O~~fficer agrees, the ~~A~~ppellate ~~O~~fficer will order a new hearing.
- (e) The appellate officer should issue a written decision to the student's appeal within twenty (20) business days of receipt of the appeal. The written decision shall issue to both ~~T~~the Complainant and ~~the~~ Respondent ~~shall receive a written decision within twenty business days (deadline can be extended by mutual agreement of the charged student and the Appellate Officer).~~ Should the appellate officer require additional time for review beyond the twenty (20) business days, the appellate officer shall notify the Complainant and Respondent in writing of the need for additional time. Decisions of the appellate officer reflect final university action.
- (f) Any decision by an Appellate Officer to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.

~~(g) — If the decision of the Appellate Officer is to modify the sanction, the Complainant and Respondent shall each be afforded the right to file an appeal of the modified sanction, in accordance with the procedures outlined in Regulation UCF-5.010(2)(a) (f). Unless the appeal results in a further modification of the sanctions, no further appeal is allowed and the decision becomes final.~~

- (3) Community ReEngagement and Educational Development (CREED) Program
- (a) Upon completion of one semester of disciplinary probation and completion of all educational requirements, a student has the opportunity to request a review of their disciplinary probation status through the Community ReEngagement and Educational Development (CREED) Program.
 - (b) Requests should be submitted to the Director of the OSC or designee via an online CREED Program submission form available at www.osc.sdes.ucf.edu. This request can only be submitted once a semester.
 - (c) The CREED Program is designed for a student to have the opportunity to demonstrate that in the period following a violation of the Rules of Conduct, they have taken steps to become a productive and engaged member of the UCF community.
 - (d) In considering this request, a student should complete all outlined requirements of the CREED Program which can be reviewed online at www.osc.sdes.ucf.edu.
 - (e) A CREED Program application should include information such as the following:
 - 1. Reflection Essay
 - 2. Faculty/Staff/Advisor (Academic or Organization) Letter of Recommendation
 - 3. Community Service
 - 4. Residential Life Letter of Support (On-Campus or Affiliated Residential Students only)
 - 5. Proof of Counseling/Assessment (if applicable)
 - 6. Academic Progress (if applicable)
 - 7. Termination of Probation Letter (Admission Clearance Only, and if applicable)

- (f) Upon receipt of the CREED Program packet, the Director of the OSC or designee will review to determine whether or not the student meets criteria for review. If the Director of the OSC or designee agrees that the student's request meets any or all of the above mentioned criteria, the student will be contacted within fourteen (14) business days to schedule a "CREED review meeting" with a committee appointed by the Director of the OSC or designee, comprised of faculty, staff and students.
 - (g) Prior to this meeting, the committee will have reviewed the submitted packet and will prepare 10-15 questions for the student to address, as well as provide the student with the opportunity to further discuss why the disciplinary probation status should be altered or terminated. No alterations shall be made to include new or increased sanctions. Should the committee feel that further information and/or documentation is necessary in order to render a recommendation, the review may be temporarily recessed. A time frame of not more than two (2) weeks will be given to the student to produce requested information and/or documentation. Upon receipt of the requested information and/or documentation, the committee will reconvene the review with the student.
 - (h) After the meeting, the committee will issue a recommendation to the Director of the OSC or designee. The Director of the OSC or designee will provide a decision to the student in writing within seven (7) business days of receiving the recommendation.
 - (i) If the request is denied by the Director of the OSC or designee the decision shall include a concise and explicit written statement that explains the basis for that decision and suggested action items for the student's success.
 - (j) There is no appeal process for a CREED Review Meeting decision.
- (4) Sealing of Records
- (a) A student's conduct record is eligible to be sealed if the incident(s) in question are minor and do not result in disciplinary suspension, disciplinary dismissal, or disciplinary expulsion and/or if the student is not current on disciplinary probation or deferred suspension.

- (b) A student conduct record may be sealed upon the successful submission and review of appropriate paperwork to the Office of Student Conduct.
- (c) The factors influencing the decision by the Director of the OSC for sealing are the severity of the violation, effect of the violation on the University community, sanctions applied, completion of sanctions, and ethical development demonstrated by the student.
- (d) There is no appeals process regarding student conduct record sealing.

Authority: BOG Regulations 1.001 and 6.0105. History – Formerly 6C7-5.00431, New 6-18-09. Amended 3-5-15, 10-29-15, 7-28-16, 7-20-17, _____-18.

UCF-5.013 Organization Conduct Review Process; Sanctions; Appeals

(1) Violation Reports

- (a) Alleged violations of the UCF Organizational Rules of Conduct shall be reported in writing to the Director of the OSC or designee. Incident reports can be submitted for information purposes only, for information purposes with the requirement that the registered student organization attend an academic integrity seminar, or to initiate the student conduct review process. Upon receiving an incident report, the Director of the OSC or designee may review relevant information and consult with relevant parties regarding the incident in question. Where deemed necessary to protect the health and safety of any individual, the student body, or any part of the University or its community, the Director of the OSC or designee, upon notifying the VP of SDES or designee, may take immediate action to resolve the situation by placing the registered student organization on interim organizational suspension. Interim organizational suspension is not a sanction. Interim organizational suspension is preliminary in nature; it is in effect only until there is a resolution of the registered student organization conduct matter. Interim organizational suspension is subject to review at a hearing within ten (10) business days by the VP of SDES or designee to determine the status of the interim organizational suspension. The outcome of an interim organizational suspension hearing shall remain in effect until the final disposition of formal charges resulting from the circumstances of the case, unless the VP of SDES or designee shall decide otherwise.
- (b) The Director of the OSC will refer all information warranting disciplinary action and assign the case to the appropriate staff member. The Office of Student Conduct will send written notification to the chief officer of the registered student organization at their UCF mailing address indicating the nature of the activity in question and what Organizational Rules of Conduct were allegedly violated. The chief officer of the registered student organization shall serve as the organization's representative in the organization conduct review process.
- (c) Upon receipt of an incident report the Office of Student Conduct has six months to charge a registered student organization with a violation of the Organizational Rules of Conduct. The Office of Student Conduct may exercise discretion when applying the

time provision to account for circumstances that warrant a waiver of the six month time limit from the date the violation report was filed.

- (d) A registered student organization charged with alleged violations of the Organizational Rules of Conduct (see UCF-5.012) will receive notice to attend a mandatory preliminary conference with the Office of Student Conduct. If the registered student organization fails to attend the mandatory preliminary conference without providing a satisfactory reason for the absence, the registered student organization may be placed on immediate social probation until such time as the registered student organization completes the mandatory preliminary conference. During the mandatory preliminary conference the registered student organization will receive information regarding the Registered Student Organization Conduct Review Process, including the registered student organization's rights during the process; an opportunity to inspect and/or review the information known at the time charges were prepared and how to contact the Student Government Association Judicial Advisor. At the conclusion of the mandatory preliminary conference, one of the following will occur: case dismissal, mediation, informal hearing, or formal hearing.
- (e) Social probation includes but is not limited to the prohibition of the following: any on or off campus fundraisers, socials, intramural competitions, receptions, service projects, conferences, retreats, etc. The organization may also not be able to update its registration until such time that it appears before a hearing. Groups under social probation may gather at regularly scheduled business meetings.

(2) Options for Resolution of Disciplinary Charges

- (a) Case Dismissal: The Director of OSC or designee may dismiss a case if it is found to not have sufficient facts or evidence to substantiate the claim of misconduct or the misconduct is not a violation of the organizational rules of conduct.
- (b) Mediation: Depending on the nature and severity of the alleged violation, the Office of Student Conduct may recommend formal mediation through the Office of Student Rights and Responsibilities as an alternative to disciplinary action. The involved parties must each agree to mediation. Mediation is a confidential process where the parties voluntarily meet with an impartial mediator to communicate their concerns and needs to each other and to reach their own agreement on the resolution of the case. The participants in mediation are responsible for keeping their agreement or renegotiating

it, if necessary. In the event that the participants do not agree to mediate or mediate but do not reach a full and final resolution, the case will be referred back to the Office of Student Conduct for disciplinary action through an informal or a formal hearing. Breach of a mediated agreement may result in a follow up mediation session or the matter may be referred back through the conduct process at the discretion of the Office of Student Conduct.

(c) Informal Hearing: At the discretion of the Office of Student Conduct, violations found not to warrant a formal hearing may be referred to an informal hearing. At the informal hearing the charged registered student organization has the opportunity to meet with an Office of Student Conduct staff member and accept responsibility for the charges of violation of the Organizational Rules of Conduct. At the informal level the matter will be settled by the following outcomes: punitive sanction (organizational warning, organizational probation, ~~or restrictive~~organizational probation with restrictions, deferred organizational suspension) as well as educational sanctions (papers, seminars, community service, etc.). If the matter is not settled informally, the case will be resolved through a formal hearing.

(d) Formal Hearing: If an alleged violation of the Organizational Rules of Conduct is not dismissed or otherwise resolved, then the Office of Student Conduct shall present in writing formal charges to the registered student organization. The charged registered student organization may request either a panel or administrative hearing. The charged registered student organization's hearing shall only be open to the charged registered student organization's chief officer, their advisor, the hearing body, witnesses (when called upon), a representative from the Office of Student Conduct, and a university staff member from an appropriate office (Office of Student Involvement, Office of Fraternity and Sorority Life, Recreation and Wellness Center, etc.).

(3) Formal Hearings. There are two types of formal hearings – panel hearings and administrative hearings.

(a) Panel Hearings.

1. A panel to consider an organizational case shall be comprised of members from the Office of Student Conduct Student Conduct Board. The panel shall consist of two (2) faculty and administrative staff members combined and two (2) student members that have been trained by the Office of Student Conduct to hear

organizational cases. One panel member shall be selected by the Office of Student Conduct to chair the hearing and report the proposed finding(s) and sanction(s), if any, to the Director of the OSC or designee.

2. At hearings conducted by a panel, an Office of Student Conduct staff member shall act as an advisor to the panel. The Director of the OSC shall receive the panel's proposed finding(s) as to "in violation" or "not in violation" of the Organizational Rules of Conduct and consider any sanctions proposed by the panel.
3. The Director of the OSC or designee may accept the proposed finding(s) of "in violation" or "not in violation" or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding of "in violation," they may approve, mitigate or increase the sanctions proposed by the panel.
4. Any decision by the Director of the OSC or designee to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.

(b) Administrative Hearings

1. Administrative hearings shall be conducted by a faculty or staff member from the Student Conduct Board trained by the Office of Student Conduct to hear organizational cases. The charged registered student organization shall be informed of the hearing officer assigned to its case and shall have the opportunity to challenge the impartiality of the individual within three (3) business days of notification. The charged registered student organization shall state in writing the basis for such challenge. A hearing officer so challenged will be excused; however, indiscriminate challenges shall not be permitted. In the event that a charged registered student organization has opted not to challenge the impartiality of a hearing officer prior to the allotted three (3) business days, the assigned hearing officer shall remain as scheduled.
2. At hearings conducted by an administrative hearing officer, an Office of Student Conduct staff member shall act as an advisor to the administrative hearing officer. The Director of the OSC or designee shall receive the administrative hearing officer's proposed finding(s) as to "in violation" or "not in violation" of the Organizational Rules of Conduct, and consider any sanctions proposed by the administrative hearing officer.

3. The Director of the OSC or designee may accept the proposed finding(s) of “in violation” or “not in violation” or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding(s) of “in violation,” they may approve, mitigate or increase the sanctions proposed by the administrative hearing officer.
 4. Any decision by the Director of the OSC or designee to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
- (c) Conduct of Formal Hearings - the following is furnished as a guide to the events in a formal hearing. Please note that all formal hearing proceedings are recorded. The recording is part of the official record of the hearing and no other recordings are permitted.
1. Reading of charges.
 2. Registered student organization response of “in violation” or “not in violation.”
 3. Presentation of information in support of the charges.
 4. Opening statement by the charged registered student organization.
 5. Questioning of the charged registered student organization by the hearing body.
 6. Presentation and questioning of witnesses in support of the charges.
 7. Presentation and questioning of witnesses by the charged registered student organization.
 8. Final questions of the charged student organization by the hearing body.
 9. Closing remarks by the charged registered student organization.
 10. Hearing is brought to a close.
 11. Registered student organization is scheduled for a meeting to discuss the hearing body's panel's proposed finding(s) and recommended sanction(s), if any.
- (d) Deliberations by the panel or the administrative hearing officer are not part of the hearing and are confidential. Deliberations occur after the closure of the hearing and are not recorded.
- (e) Case Record for Formal Hearing - The case record shall consist of the following items:
1. A copy of the formal charges in writing.
 2. A recording of the formal hearing.
 3. All staff memoranda submitted.

4. All items of physical or written documentation submitted, provided such items are not returned to a rightful owner. In that case, photographs or other facsimiles shall be made before return.
 5. The Director of the OSC's decision.
- (f) Student Conduct Board members for panel and administrative formal hearings are selected through an annual application and interview process with the exception of the justices from the Student Government Association Judicial ~~Branch Council~~. All Student Conduct Board members, including justices, receive annual training from the Office of Student Conduct. Student Conduct Board members who serve on hearings related to allegations of sex discrimination, including but not limited to relationship violence, sexual assault, sex harassment, and stalking receive additional training annually.
- (4) Registered Student Organization Rights during the Formal Conduct Review Process - The following rights shall be explained to the charged registered student organization before the commencement of a formal disciplinary hearing:
- (a) The charged registered student organization shall be afforded written notice, at least five (5) business days prior to a formal hearing, unless waived in writing. Written notice sent to the chief student officer of the charged registered student organization's electronic and/or physical address shall constitute full and adequate notice. Written notice shall include:
 1. The name of the organization, the chief student officer's name and organization's address, if applicable.
 2. Date, time and location of the formal hearing
 3. Alleged Organizational Rule of Conduct Violation(s) known at the time formal charges are prepared.
 4. Names of potential witnesses known at the time that formal charges are prepared.
 5. A description of any physical or written documentation known at the time charges are prepared.

Provided that the required notice stated above has been given to the registered student organization along with its representative(s) but a representative failed to attend a scheduled formal hearing without providing a satisfactory reason for the absence, the organization may be placed on immediate social probation until such time as the

organization completes the formal hearing and any further steps in the conduct process. The organization will also not be able to update its registration while on social probation.

- (b) The registered student organization may have at their own expense and initiative, an advisor present at the hearing. It is the registered student organization's responsibility to make appropriate arrangements for the advisor to attend the hearing, and the hearing shall not be delayed due to scheduling conflicts of the chosen advisor. The advisor may be present to advise the registered student organization but shall not speak for or present the case for the registered student organization or otherwise participate directly in the proceeding. A registered student organization may consult with their advisor at any time during the hearing. This consultation must take place in a manner that does not disrupt the proceedings. A registered student organization's advisor must not be connected to the actual conduct case or a related case. In addition, an advisor may not serve as a witness. If the advisor does not adhere to their defined role in the student conduct review process, they may be removed from the hearing. The Office of Student Conduct shall maintain a list of impartial advisors and resources available to the registered student organization.
- (c) All hearings shall be conducted on the basis that the charged registered student organization is not in violation until the preponderance of evidence proves otherwise. At a student conduct organizational hearing, the technical rules of evidence applicable to civil and criminal cases shall not apply. The burden of proof in a student conduct hearing is not on the registered student organization charged with a violation of the Organizational Rules of Conduct.
- (d) The registered student organization's chief officer may inspect any information presented in support of the charges. Information may be presented in support of the charged student organization.
- (e) The university cannot compel any person serving as a witness to attend a registered student organizational hearing. However, all parties to a registered student organizational conduct hearing may arrange for witnesses to voluntarily present relevant information during the proceeding. Pertinent information may be accepted as information for consideration by the person or body conducting the registered student organizational formal hearing. The registered student organization may hear and

question adverse witnesses who testify at the registered student organizational formal hearing.

- (f) The registered student organization shall not be forced to present information that incriminates its individual members; however, the University is not required to postpone disciplinary proceedings pending the outcome of any civil or criminal prosecution.
- (g) The proposed finding(s), as well as the Director of the OSC's determination, of "in violation" or "not in violation" on the charges shall be based solely on the information presented at the registered student organizational formal hearing.
- (h) Only if the proposed finding(s) of the hearing body is that the registered organization is in violation, will prior conduct history be reviewed and potentially affect the proposed sanctioning.
- (i) The final decision shall be furnished in writing to the registered student organization within fourteen (14) business days following the hearing (the deadline can be extended by mutual agreement of the charged registered student organization and the Director of the OSC or designee).
- (j) The registered student organization's registration status shall remain unchanged pending the University's final decision in the matter except in cases where the VP of SDES or designee determines that the safety, health, or general welfare of any individual, or any part of the University may be involved.

(5) Additional Procedures in Cases of Sexual Misconduct and/or Interpersonal Violence. Where a registered student organization is charged with sexual misconduct and/or interpersonal violence, the procedures outlined in UCF-5.006(9)(f) will apply in addition to the procedures of the Student Conduct Review Process.

(6) Sanctions for Registered Student Organizations

- (a) Organizational Warning: An official warning that the organization's behavior is in violation of the Organizational Rules of Conduct and that if the organization is subsequently found in violation of a rule, subsequent action may be more severe.
- (b) Organizational Probation: A period of time during which any further violation of the Organizational Rules of Conduct puts the registered student organization's status with the University in jeopardy. Restrictive conditions may also be imposed as part of organizational disciplinary probation and will vary according to the severity of the offense. Restrictive conditions may include barring or limiting some or all of the

organization's activities and/or privileges (including, but not limited to: social activities; intramural competition; organizational competition; Homecoming; eligibility to receive any University award or honorary recognition; privilege to occupy a position of leadership or responsibility in any University registered student organization governing body, publication, or activity; or ability to represent the University in an official capacity or position). If a registered student organization is found “in violation” for another violation of the Organizational Rules of Conduct while on organizational probation, more severe sanctions may be imposed.

- (c) Organizational Deferred Suspension – Organizational deferred suspension is used for offenses found serious enough to warrant organizational suspension, but where the specific circumstances of the case mitigate the offense or for repeated offenses of a less serious nature. Organizational deferred suspension is a designated period of time during which a registered student organization is given the opportunity to demonstrate the ability to abide by the community’s expectations of behavior articulated in the Organizational Rules of Conduct. During an organizational deferred suspension, the registered student organization will be officially suspended from the university, but the organizational suspension will be deferred, meaning that the registered student organization may continue to operate with sanction-specific restrictions. Organizational suspension will be ~~automatically~~ enforced should the registered student organization fail to complete any of the assigned sanctions by the deadline(s) and/or for any subsequent violation of the Organizational Rules of Conduct unless the Director of the OSC determines otherwise in exceptional circumstances. If the registered student organization is found in violation for any subsequent violation of the Organizational Rules of Conduct while on deferred suspension, including failure to complete any assigned sanctions by the deadline(s), the registered student organization will be ~~automatically~~ suspended for a minimum of two (2) semesters in addition to any educational sanctions imposed for the subsequent violation. Registered student organizations on organizational deferred suspension may be limited in their abilities to represent the university in intramural sporting events, extracurricular activities, or official functions. The duration of any organizational deferred suspension period and the specific restrictions imposed will be determined by the OSC on a case-by-case basis.

- (d) Organizational Suspension: While on organizational suspension the registered student organization loses its University recognition and/or registration for a temporary period of time. While an organization is suspended, it may not use University resources or participate as an organization in any University activities or events.
 - (e) Revocation of UCF Registration: Permanent severance of the organization's relationship with UCF.
 - (f) Recommendation for Charter Revocation: An official request to a national office that the local chapter's charter be revoked.
 - (g) Educational Sanctions: In conjunction with any sanction listed above, a registered student organization found to have been in violation of any of the Organizational Rules of Conduct will be assigned educational sanctions that are proportional to the violation such as, but not limited to: reflective/research papers, classes/seminars, community service, restitution, interviews, etc. If a registered student organization has any outstanding educational sanctions at the conclusion of organizational probation or organizational suspension, the organizational probation or organizational suspension will remain in effect pending completion of the educational sanctions.
- (7) Appeal within the Registered Student Organization Review Process
- (a) A student organization found in violation as a result of a hearing may appeal the finding(s) and sanction(s) imposed. The appeal must be made in writing to the ~~A~~ppellate ~~O~~fficer (VP of SDES or designee) within seven (7) business days after the date the registered student organization was notified of the decision by the Director of the OSC.
 - (b) Registered student organizations may appeal the finding(s) and sanction(s) imposed on the basis of one or more of the following:
 1. Irregularities in fairness and stated procedures of the hearing that substantially affected the outcome of the hearing.
 2. Discovery of new and significant information that would be likely to change the outcome of the hearing and that was not known or could not reasonably have been discovered and/or presented at the time of the initial hearing.
 3. The sanction(s) are extraordinarily disproportionate to the violation(s).
 - (c) On the appeal form, the registered student organization must state the reason(s) for appeal, the supporting facts, and the recommended solution. This is not a re-hearing of

the conduct case. An appeal cannot be filed simply because a registered student organization is dissatisfied with the decision. Failure to describe the nature of the information in full detail in the appeal letter will result in the denial of an appeal.

- (d) The Appellate Officer shall first determine if sufficient grounds for appeal exist and then, if so, may either deny the appeal, thus sustaining the initial decision and sanction(s), or do one of the following:
 - 1. If the registered student organization alleges that the sanction was disproportionate to the violation(s) and the appellate officer finds the sanction to be disproportionate, the appellate officer may ~~alter~~ reduce the sanction; or.
 - 2. If the registered student organization alleges that there was a defect in procedure or new information was presented which was sufficiently substantial to have affected the outcome and the appellate officer agrees, the appellate officer will order a new hearing.
- (e) The registered student organization shall receive a written decision to the appeal. There is no definitive timeline for receiving an appeal response. It depends on many factors including the complexity of the case and the information mentioned in the appeal, as well as the Appellate Officer's appeal load at that particular time. Decisions of the VP of SDES or designee reflect final agency action.
- (f) Any decision by Appellate Officer to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
- (g) If the Appellate Officer upholds the original findings, the effective date of any disciplinary sanction(s) imposed will revert back to the date of the Director of OSC's final decision letter.

(8) Community ReEngagement and Educational Development (CREED) Program

- (a) Upon completion of one semester of the organizational probation and upon completion of all educational sanctions/requirements, a registered student organization has the opportunity to request modification of their organizational probation status through the Community ReEngagement and Educational Development (CREED) Program.
- (b) Requests must be submitted to the Director of the OSC or designee via an online Student Organization CREED Program Submission form that can be found at <http://www.osc.sdes.ucf.edu>. This request may only be submitted once a semester.

- (c) The CREED Program is designed for registered student organizations to have the opportunity to demonstrate that in the period following a violation of the Organizational Rules of Conduct, they have taken steps to become productive and engaged members of the UCF community. Student organizations that simply fulfill the minimum requirements of their sanction(s) will not be eligible for the CREED Program.
- (d) A CREED Program application should include information such as the following:
 - 1. Reflection Essay
 - 2. Faculty/Staff/Advisor (Academic or Organization) Letter of Recommendation
 - 3. Community Service
 - 4. Fraternity and Sorority Life (FSL) Letter of Support (*Greek Affiliated Student Organizations Only*)
 - 5. Proof of Counseling/Assessment (*If applicable*)
- (e) Upon receipt of the CREED Program packet, the Director of the OSC or designee will review to determine whether or not the registered student organization meets the criteria for review. If the Director of the OSC or designee agrees that the registered student organizations request meets any or all of the above mentioned criteria, the registered student organization will be contacted within fourteen (14) business days to schedule a “CREED review meeting” with a committee appointed by the Director of the OSC or designee, comprised of faculty, staff and students.
- (f) Prior to this meeting, the committee will have reviewed the packet and will prepare 10-15 questions to be addressed, as well as provide the opportunity to further discuss why the applying organization disciplinary probation or suspension status should be altered or terminated. No alterations shall be made to include new or increased sanctions. Should the committee feel that further information and/or documentation is necessary in order to render a recommendation, the review may be temporarily recessed. A time frame of not more than two (2) weeks will be given to the organization to produce requested information and/or documentation. Upon receipt of the requested information and/or documentation, the committee will reconvene the review with the organization.
- (g) After the meeting, the committee will issue a recommendation to the Director of the OSC or designee. The Director of the OSC or designee will provide a decision to the registered student organization in writing within seven (7) business days of receiving the recommendation.

- (h) If the request is denied by the Director of the OSC or designee the decision shall include a concise and explicit written statement that explains the basis for that decision.
- (i) There is no appeal process for a Student Organization Disciplinary CREED Review meeting decision.

Authority: BOG Regulations 1.001 and 6.0105. History - New 10-16-09, Amended 9-3-13, 10-29-15, 7-28-16, 7-20-17, _____-18.

UCF-5.015 Student Academic Behavior Standards

- (1) The Office of Undergraduate Studies, College of Graduate Studies, Registrar's Office, and the Office of Student Rights and Responsibilities will review this regulation periodically.
- (2) UCF is committed to a policy of honesty in academic affairs. Conduct that comprises a breach of this policy may result in academic action and/or disciplinary action. Academic action affects student assignments, examinations or grades. Disciplinary action could affect student enrollment status.
- (3) Academic misconduct includes but is not limited to cheating, plagiarism, assisting another in cheating or plagiarism, and commercial use of academic materials. Violations of academic misconduct at the undergraduate and graduate level are listed and defined in the Rules of Conduct (UCF-5.008)
- (4) Alleged violations of the UCF Rules of Conduct (Academic Misconduct) shall be reported in writing to the Director of the Office of Student Conduct (OSC) or designee. When an instructor becomes aware of an alleged violation of academic misconduct and before any action is taken, the instructor must document the alleged violation(s) through the Academic Misconduct Report Form (AMR), available at <http://osc.sdes.ucf.edu>. Upon receiving an alleged violation of academic misconduct, the Director of the OSC or designee may review relevant information and consult with relevant parties regarding the incident in question.
 - (a) The Director of the OSC will refer all information warranting disciplinary action to the OSC. The OSC will send notification to the student indicating the nature of the activity in question and what university rules were allegedly violated.
 - (b) Upon receipt of an AMR form the OSC has six months to charge a student with a violation of academic misconduct. The OSC may exercise discretion when applying the time provision to account for circumstances that warrant a waiver of the six month time limit from the date of discovery.
 - (c) Students charged with alleged violations of academic misconduct will receive notice to attend a required preliminary conference with the OSC to discuss the charges. If the student fails to attend the conference, a hold will be placed on the student's record, preventing them from registering for future classes until the matter is resolved. Students who leave the university or withdraw from a class before a disciplinary matter is resolved may be prohibited from future enrollment

until ~~such time as~~ the matter is resolved. The student will receive information regarding the student conduct review process, including the student's rights during the process, an opportunity to inspect and/or review the information known at the time charges are prepared, and notice of how to contact the impartial advisor. At the conclusion of the meeting, the OSC will recommend an option for resolution of the academic misconduct charges. These options are case dismissal, informal hearing, or academic formal hearing

(5) Options for Resolution of Academic Misconduct

- (a) Case Dismissal: The Director of the OSC or designee may dismiss a case if: the reported case fails to have sufficient facts or information to substantiate the claim of academic misconduct; or the reported violation is not seen to warrant punitive disciplinary action; or the reported behavior reported as academic misconduct is not a violation of the Rules of Conduct. An informal conference may be held where the student may be instructed to complete an educational requirement to demonstrate what was learned from the reported behavior. Upon successful completion of the educational requirement, the reported incident will be dismissed.
- (b) Informal Hearing: At the discretion of the OSC, violations found not to warrant a formal hearing may be referred to an informal hearing. At the informal hearing, the charged student has the opportunity to meet with an OSC staff member or designee and accept responsibility for the charges of violation of academic misconduct. At the informal hearing level the matter will be settled by the following outcomes: punitive sanction (disciplinary warning or disciplinary probation) as well as educational sanctions (papers, seminars, community service, etc.). If the matter is not resolved informally, the case will be resolved through a formal hearing. The outcomes from an informal hearing process (decision of responsibility and recommended sanctions) are final and are not eligible for appeal.
- (c) Formal Hearings: If an alleged violation of academic misconduct is not dismissed or otherwise resolved, then the OSC shall present in writing formal charges to the student. The charged student's formal hearing shall be open only to the charged student/co-charged students involved in the same incident, selected advisor,

witnesses (when called upon), and a representative from the OSC. Formal notification shall include:

1. The student's name and address.
 2. Date, time and location of the formal hearing.
 3. The rule(s) of conduct allegedly violated as known at the time formal charges were prepared.
 4. Names of potential witnesses known at the time formal charges were prepared.
 5. A description of any physical or written documentation known at the time charges were prepared.
- (d) Academic Integrity Formal Hearings: Students going through the Academic Integrity formal hearing process may elect an Administrative Academic Integrity Formal Hearing or a Panel Academic Integrity Formal Hearing.
1. Administrative Academic Integrity Formal Hearing
 - i. Administrative Academic Integrity formal hearings shall be conducted by one faculty member from the Student Conduct Board. The charged student shall be informed of the hearing officer assigned to the case and shall have the opportunity to challenge the impartiality of the individual within three (3) business days of notification. The student shall state in writing the basis for such challenge. A hearing officer so challenged will be excused; however, indiscriminate challenges shall not be permitted. In the event that a student has opted not to challenge the impartiality of a hearing officer prior to the allotted three (3) business days, the assigned hearing officer shall remain as scheduled.
 - ii. At hearings conducted by an administrative hearing officer, an OSC staff member shall act as an advisor to the administrative hearing officer. The Director of the OSC or designee shall receive the administrative hearing officer's proposed finding(s) as to "in violation" or "not in violation" of the Rules of Conduct, and consider

any punitive and or educational sanctions proposed by the administrative hearing officer.

- iii. The Director of the OSC or designee may accept the proposed finding(s) of “in violation” or “not in violation” or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding(s) of “in violation,” they may approve, mitigate or increase the sanctions proposed by the administrative hearing officer.
 - iv. Any decision by the Director of the OSC or designee to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
2. Academic Integrity Panel Hearings.
- i. A panel to consider an individual case shall be randomly selected by the OSC from the Student Conduct Board and shall consist of at least one (1) faculty member, one (1) additional faculty or administrative staff member, and two (2) student members. One panel member shall be selected by the OSC to chair the hearing and report the finding(s) and recommended sanctions, if any, to the Director of the OSC or designee.
 - ii. For panel hearings, an OSC staff member shall act as an advisor to the panel. The Director of the OSC or designee shall receive the panel’s proposed finding(s) as to "in violation" or "not in violation" of the Rules of Conduct, and consider any punitive or educational sanctions proposed by the panel.
 - iii. The Director of the OSC or designee may accept the proposed finding(s) of “in violation” or “not in violation” or remand the case for rehearing. If the Director of the OSC or designee accepts the proposed finding(s) of “in violation,” they may approve, mitigate or increase the sanctions proposed by the panel.
 - iv. Any decision by the Director of the OSC or designee to alter proposed sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.

- (e) Following the Academic Integrity Formal Hearing:
1. Undergraduate students found “in violation” will be prescribed punitive and educational conduct sanctions appropriate to the findings and recommendations of the academic integrity formal hearing. The OSC will report the hearing outcome from the academic integrity hearing back to the instructor and department chair. In consultation with the college dean or designee, the instructor and the department chair will determine if further course or academic action should be imposed. If the undergraduate program recommends further course or program action, the undergraduate program must notify the OSC and Academic Services. Final results of the academic integrity formal hearing and/or course or program action must be made available to the student in writing within fourteen (14) business days following the date of the formal hearing.
 2. Undergraduate students found “not in violation” will be notified within fourteen (14) business days. The OSC will report the findings back to the instructor, department chair, and college dean or designee. Students may have proposed course or academic action removed and the instructor may determine a new grade since no violation was found.
 3. For graduate students found “in violation”, the OSC notifies the instructor, Associate Dean of Graduate Studies, and the Dean of the Academic College in which the graduate student resides. They will in turn notify the graduate program that a student was found in violation and ask if the program wishes to invoke any program-level academic action(s). The student’s graduate program will determine if program action is necessary. If deemed necessary, recommendation of program action will be made using the *Probation/Dismissal Form* and/or *Conditional Retention Plan*. This information will be forwarded to the College of Graduate Studies. The OSC will be notified if the graduate program recommends additional program action. The results of any formal hearing and/or program action should be available for the student within fourteen (14) business days.

4. Graduate students found “not in violation” of academic misconduct may have their proposed course or program action removed and the instructor may determine a new grade since no violation was found.

(f) Appeals:

1. Undergraduate or graduate students found “in violation” as the result of an academic integrity formal hearing may appeal the finding(s) and sanction(s) imposed by the Director of the OSC. The appeal must be made in writing to the appellate officer (Provost or designee) within seven (7) business days after the date the student was notified of the decision by the Director of the OSC. Students may appeal the finding and sanction(s) imposed on the basis of one or more of the following:
 - i. Irregularities in fairness and stated procedures of the hearing that could have affected the outcome of the hearing.
 - ii. Discovery of new and significant information that could have affected the outcome of the hearing and which was not known or could not reasonably have been discovered and/or presented at the time of the hearing.
 - iii. The sanction(s) are extraordinarily disproportionate to the violation(s).
2. ~~The student shall receive a written decision to the appeal~~The appellate officer should issue a written decision to the student’s appeal within twenty (20) business days of receipt of the appeal. Should the appellate officer require additional time for review beyond the 20 business days, the appellate officer will notify the charged student in writing of the need for additional time.
Decisions of the Provost or designee reflect final agency action.
3. Any decision by the Provost or designee to alter sanctions or return a case shall be accompanied by a concise and explicit written statement that explains the basis for that decision.
4. Undergraduate students may appeal program sanctions provided by the student’s undergraduate program, per UCF-5.016. Graduate Students may appeal program sanctions provided by the student’s graduate program, per

UCF-5.017. Students found “in violation” for academic misconduct are not eligible for academic appeal regarding the final grade issued by the course of the reported violation.

(6) Z Designation for Undergraduate Student Academic Misconduct

- (a) A Z designation denotes a student was found “in violation” of academic misconduct while enrolled in a course. A Z designation does not affect a student’s grade point average.
- (b) Z designations will remain on a student’s transcript if:
 - 1. The student is found “in violation” of academic misconduct and the punitive sanction is disciplinary suspension for one or more semesters, disciplinary dismissal, or expulsion; or
 - 2. The student is found “in violation” of academic misconduct twice during their UCF academic career.
 - a. The punitive sanction received in either academic misconduct case has no bearing on the Z designation being permanently placed on the student’s transcript.
 - b. A Z designation will be placed in association with both courses in which the student was found “in violation” of academic misconduct.
- (c) If a student is found “in violation” of academic misconduct a Z designation will be placed on their transcript in association with the final course letter grade recorded (ex. ZA, ZB, ZC, ZD, ZF).
- (d) A Z designation will be denoted on the student’s transcript as a ZW if a student withdrew from the course prior to the conclusion of the conduct process and was subsequently found “in violation” of academic misconduct.
- (e) OSC will communicate with the Registrar’s Office to have Z designations placed on student’s transcript following the conclusion of the Conduct Review Process.
- (f) Students have the opportunity to improve the letter grade recorded in association with a course in which they were found “in violation” of academic misconduct through the use of grade forgiveness. The Z designation however will still remain on the student’s transcript.

(g) A student can attempt to have a Z designation permanently removed through participating in the Community ReEngagement and Educational Development (CREED) Program.

(h) A Z designation will remove a student from consideration for academic awards and honors (e.g. President's List and Dean's List) for the academic semester in which the violation occurred.

Authority: BOG Regulation 1.001. History – Formerly 6C7-5.0042, Amended 8-10-09, 9-4-12, 10-29-15, 7-28-16, 7-20-17, _____-18.