



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'
COMMITTEE ON GOVERNANCE
COMMITTEE MINUTES
February 9, 2016
Conference Call/Meeting
123 Tigert Hall, University of Florida, Gainesville, Florida
Time Convened: 4:02 P.M. EST
Time Adjourned: 4:09 P.M. EST**

1.0 Verification of Quorum

Committee Chair James W. Heavener asked Jamie Lewis Keith, Vice President, General Counsel and University Secretary to verify a quorum. Ms. Keith confirmed a quorum with all members present.

Committee Members Present:

James W. Heavener (Committee Chair), David L. Brandon, Susan M. Cameron, Christopher T. Corr, Steven M. Scott, David M. Thomas, and Anita G. Zucker.

Others Present:

W. Kent Fuchs, President; Trustees Paul W. Davenport and Joselin Padron-Rasines; Jack Payne Senior Vice President for Agriculture and Natural Resources; Jamie Lewis Keith, Vice President, General Counsel and University Secretary; Janine Sikes, Assistant Vice President for Media Relations and Public Affairs; Michael Ford, Senior University Counsel; Colt Little, Associate University Counsel; Melissa Orth, Senior Director, Government Relations; Becky Holt, Executive Assistant; and other members of the University community and members of the media.

2.0 Call to Order and Welcome

Committee Chair Heavener called the meeting of the Committee on Governance to order at 4:02 p.m. EST, welcoming all present.

3.0 Review and Approval of Minutes

No minutes were brought to the Committee for approval.

4.0 Action Items (Consent)

The Committee considered the following Action Items:

GV1. and R16-162 Certification of Cattle Enhancement Board, Inc., as a Direct Support Organization

Jack Payne, Senior Vice President for Agriculture and Natural Resources provided an overview of GV1. and R16-162, noting that:

- The Florida Cattlemen's Association and IFAS anticipate the Florida Legislature's enactment this year of a budget with as much as \$2 million for cattle enhancement research.
- The Legislature would like funding to be provided to a new University of Florida Direct Support Organization (DSO) dedicated to research by IFAS and others supporting the cattle industry.
- IFAS's mission includes support of the cattle industry through research and education programs and service to the industry, all of which are served by the DSO proposal.
- The funding mechanism is favored because it will allow funding of multi-year research projects. Funding through the Florida Department of Agriculture and Consumer Services (FDACS), is subject to annual appropriation, making funding of multi-year research uncertain.
- The proposed DSO, the Cattle Enhancement Board, Inc., would be modeled after a similar DSO created in 2009 for research supporting the citrus industry.

Next, Committee Chair Heavener asked Vice President, General Counsel and University Secretary Jamie Lewis Keith to provide some background on DSO requirements and governance controls. Ms. Keith pointed out the following:

- The requirements for creation of a DSO have been fulfilled, except for certain corporate and tax filings, which will be made upon authorization by the Committee and Board, and the business plan, which the proposed Committee and Board action requires be done and approved by the President or designee before research funding is awarded.
- The Action Item details the 15-member Board's composition, which includes two members appointed by the UF President or designee, but is dominated by industry representatives.
- UF will not have controlling seats on the Board. However there are robust governance controls in the Bylaws including "reserve powers" for key actions (called Priority Actions) that must be ratified by the UF President to become effective. These governance controls will protect UF's interests and reputation.

- The 2007 UF Board-endorsed DSO governance principles are incorporated in the DSO Bylaws.
- The DSO will pay at least the minimum indirect cost fee for UF's administration and support of the research, which is currently 12%.
- The Committee and Board were asked to approve Action Item GV1 and Board Resolution R16-162 to certify the Cattle Enhancement Board, Inc. as a DSO and to authorize the President or his designee to make filings, finalize documents, and approve the business plan, for the creation of the DSO.

Committee Chair Heavener asked if any Trustees had any questions. There were no questions. He then asked for a motion to approve Committee Action Item GV1 and R16-162 for recommendation to the full Board for its approval on the Consent Agenda, which was made by Trustee Brandon and Seconded by Trustee Zucker. The Committee Chair asked if there was any discussion, after which he asked all in favor and any opposed. The motion was approved unanimously.

5.0 Discussion/Informational Items

6.0 New Business

The Committee did not have any discussion items or new business.

8.0 Adjourn

Committee Chair Heavener asked for a motion to adjourn the meeting, which was made by Trustee Cameron and Seconded by Trustee Zucker. The Committee Chair asked for all in favor and any opposed, and the motion was approved unanimously. The University of Florida Committee on Governance adjourned its meeting at 4:09 p.m. EST.



The Foundation for The Gator Nation

The University of Florida Board of Trustees' Committee on Governance, Committee on Finance and Facilities and the full Board of Trustees, will have meetings/telephone conference call meetings at the below-listed campus location on February 9, 2016 in the following sequence, beginning at 4:00 p.m. EST, with one meeting beginning immediately after the prior meeting ends, and continuing until all meetings have concluded:

**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES'
COMMITTEE ON GOVERNANCE
AGENDA**

**Meeting/Telephone Conference Call Meeting
February 9, 2016
4:00 p.m. EST**

Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees' Committee on Governance Members:

James W. Heavener (Chair), David L. Brandon, Susan M. Cameron, Christopher T. Corr, Steven M. Scott, David M. Thomas, Anita G. Zucker

- 1.0 Verification of Quorum..... Jamie Lewis Keith, VP/General Counsel/University Secretary
- 2.0 Call to Order and Welcome James W. Heavener, Chair
- 3.0 Review and Approval of Minutes..... James W. Heavener, Chair
None
- 4.0 Action Items (Consent) James W. Heavener, Chair
[GV1. and R16-162 Certification of Cattle Enhancement Board, Inc. as a Direct Support Organization](#)
- 5.0 Discussion/Informational Items..... James W. Heavener, Chair
None
- 6.0 New Business James W. Heavener, Chair
- 7.0 Adjourn..... James W. Heavener, Chair

**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES’
COMMITTEE ON FINANCE AND FACILITIES
AGENDA**

**Meeting/Telephone Conference Call Meeting
February 9, 2016**

**Beginning immediately after conclusion of the meeting of the Board’s
Committee on Governance (which begins at 4:00 p.m. EST)**

Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees’ Committee on Finance and Facilities Members:

Jason J. Rosenberg (Chair), David L. Brandon, Susan M. Cameron, James W. Heavener, Steven M. Scott, David M. Thomas, Anita G. Zucker

- 2.0 Verification of Quorum..... Jamie Lewis Keith, VP/General Counsel/University Secretary
- 2.0 Call to Order and WelcomeJason J. Rosenberg, Chair
- 3.0 Review and Approval of Minutes.....Jason J. Rosenberg, Chair
None
- 4.0 Action Items (Consent)Jason J. Rosenberg, Chair
[FF1. Approval of Assignment of Hilton Hotel Sublease and Associated Estoppel Certificate/Agreement](#)
- 5.0 Discussion/Informational Items.....Jason J. Rosenberg, Chair
None
- 6.0 New BusinessJason J. Rosenberg, Chair
- 7.0 Adjourn.....Jason J. Rosenberg, Chair

**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
BOARD AGENDA**

**Meeting/Telephone Conference Call Meeting
February 9, 2016**

**Beginning immediately after conclusion of the meeting of the Board’s
Committee on Finance and Facilities (which begins immediately after the
meeting of the Board’s Committee on Governance, which begins at 4:00 p.m.
EST)**

Campus Location: 123 Tigert Hall, University of Florida, Gainesville, Florida

University of Florida Board of Trustees Members:

Steven M. Scott (Board Chair), David L. Brandon, Susan M. Cameron, Christopher T. Corr, Paul W. Davenport, James W. Heavener, Joselin Padron-Rasines, Rahul Patel, Marshal D. Powers, Jason J. Rosenberg, Robert G. Stern, David M. Thomas, Anita G. Zucker

- 1.0 Verification of Quorum Jamie Lewis Keith, VP/General Counsel/University Secretary
- 2.0 Call to Order and Welcome Steven M. Scott, Board Chair
- 3.0 Review and Approval of Minutes.....Steven M. Scott, Board Chair
None
- 4.0 Committee ReportsSteven M. Scott, Board Chair
Governance Committee..... James. W. Heavener, Chair
Finance and Facilities CommitteeJason J. Rosenberg, Chair
(Only if any Trustee did not attend the Committee meetings.)
- 5.0 Board Action Items (Consent).....Steven M. Scott, Board Chair
[FF1. Approval of Assignment of Hilton Hotel Sublease and Associated Estoppel Certificate/Agreement](#)
[GV1. and R16-162 Certification of Cattle Enhancement Board, Inc. as a Direct Support Organization](#)
- 6.0 Board Discussion/Informational ItemsSteven M. Scott, Board Chair
None
- 7.0 New BusinessSteven M. Scott, Board Chair
- 8.0 AdjournSteven M. Scott, Board Chair



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON GOVERNANCE
COMMITTEE ACTION ITEM GV1
February 9, 2016**

SUBJECT: Certification of Cattle Enhancement Board, Inc. as a Direct Support Organization

BACKGROUND INFORMATION

The Florida Cattlemen's Association and University of Florida's (UF) Institute of Food and Agricultural Sciences (IFAS) anticipate the Florida Legislature's enactment in the 2016 legislative session of a budget that is anticipated to include as much as \$2 million for cattle enhancement research, with the funding being provided to a new UF Direct Support Organization (DSO). The proposed DSO, the Cattle Enhancement Board, Inc., would be modeled after a similar DSO created in 2009 for citrus research. Funding from the Legislature and from the cattle industry would be provided to the DSO, which will make research awards on a competitive basis, although a substantial portion of the funding is expected to be awarded to IFAS, whose mission includes support of the cattle industry through research and education programs and service to the industry, all of which are served by this DSO proposal. This funding mechanism is favored by the cattle industry and by IFAS because it will allow funding of multi-year research projects. In contrast, legislative funding to the relevant state agency, the Florida Department of Agriculture and Consumer Services (FDACS), is subject to annual appropriation, making funding of multi-year research uncertain.

The requirements for creation of a DSO have been fulfilled or, as outlined below, will be fulfilled through the delegation to the UF President of authority to develop, approve and file appropriate documents for the creation and tax exemption of this DSO.

The DSO's Board would be comprised of 15 members: (a) two ex officio voting members appointed by the UF President or his or her designee, the UF Vice President for Agriculture and Natural Resources; (b) nine members appointed by the Florida Cattlemen's Association; and (c) one member appointed by each of the following entities--Florida Dairy Farmers, Inc., Florida Farm Bureau, and Florida Cattlewomen, Inc.; and (d) one member appointed by the FDACS.

While UF will not have controlling seats on the Board, the following governance controls are required under the Bylaws for protection of UF's interests and reputation:

- Two ex officio, voting seats on the DSO Board will be appointed by the UF President or, if desired, his or her designee, the UF Vice President for Agriculture and Natural Resources; and the Corporation's Executive, Governance and Compensation, Finance, Audit, Research Management, Commercial Product Delivery, and Industry Research Coordinating Committees will include as an ex officio voting member one of these appointees.
- All non-ex officio seats on the Board will be appointed by industry organizations, as outlined above, but proposed appointees must first be ratified by the UF President, or if desired his or her designee, the UF Vice President for Agriculture and Natural Resources, before such appointment is made; and if the nominees presented for ratification are not ratified, additional nominees will be presented until ratification is given.
- The President of the DSO (the DSO's top administrator) is hired by mutual agreement of, and reports to, the DSO Board and the UF President, or if desired his or her designee, the Vice President for Agriculture and Natural Resources.
- The following actions of the DSO Board will be taken by it as Priority Actions (requiring the UF President's ratification to become effective):
 - (a) election of the Chair and Vice Chair of the Board and the hiring and election of the President and Chief Operating Officer of the DSO, whether initially or upon any vacancy;
 - (b) approval of any debt or bonds above ordinary business lines of credit and the caps defining ordinary business operating lines of credit;
 - (c) approval of capital and operating budgets, asset allocation and investment policies for long- and short- term needs, and real estate and other capital asset acquisition and disposition policies, all of which shall be established and acted on by the Board (and shall designate which decisions require the UF's President's ratification under said policies);
 - (d) approval of DSO conflict of interest policies;
 - (e) approval of the DSO's audit committee charter;
 - (f) amendment of the DSO Bylaws and Articles of Incorporation; and
 - (g) any merger, legal partnership or joint venture, or corporate restructuring.
- The 2007 UF Board-endorsed DSO governance principles are also incorporated in the DSO Bylaws (e.g., the UF President or designee may remove any member of the Board for cause and may remove the DSO President and the DSO Chief Operating Officer for cause or unacceptable performance, as defined in the principles, after consultation with the other members of the DSO Board or Board Chair, as the executive authorized by the DSO Board for this purpose).
- The DSO will pay at least the minimum indirect cost (IDC) fee for UF's administration and support of the research, as that fee is in effect from time to time. (This is the VP/Research-Office of Sponsored Programs fee paid on all research awards. Currently, the fee is 12%.)

PROPOSED COMMITTEE ACTION

The Committee on Governance is asked to approve for recommendation to the Board of Trustees for its approval on the Consent Agenda: (1) the certification of Cattle Enhancement

Board, Inc. as a University of Florida Direct Support Organization, and its associated Resolution R16-162 (attached); (2) that the President of the University or his designee is authorized to develop, approve and file all organizational documents of the DSO and all applications and associated documents for the DSO's exemption from taxation and status as a 501(c)(3) organization under the Internal Revenue Code and Internal Revenue Service policies and procedures; and (3) that the President of the University or his designee is authorized to approve the business plan for the DSO prior to the making of research awards.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

Incorporation of adequate governance controls in the DSO Bylaws, where UF does not have controlling seats on the DSO Board, which has been accomplished as described above. Board of Governors approval is not required.

Supporting Documentation Included: Resolution R16-162; DSO Articles of Incorporation and Bylaws (subject to any finalization by the UF President or designee, as authorized).

Submitted by: Jack Payne, Senior Vice President for Agriculture and Natural Resources

Approved by the University of Florida Board of Trustees, February 9, 2016



Steven M. Scott, Chair



W. Kent Fuchs, President and Corporate Secretary



The Foundation for The Gator Nation

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES RESOLUTION

Number: R16-162
Subject: Certification of Cattle Enhancement Board, Inc. as a direct-support organization
Date: February 9, 2016

WHEREAS, included in the mission of the University of Florida's (UF) Institute of Food and Agricultural Sciences (IFAS) is support of the cattle industry through research, education and service, and the Florida Legislature and Florida Cattlemen's Association seek to provide substantial funding to a UF direct support organization associated with UF IFAS and created under section 1004.28, Florida Statutes (DSO) for such purpose, including to fund multi-year research studies for which state funding is not readily available;

WHEREAS, the requirements for creation of this DSO have been fulfilled or will be fulfilled through delegation to the UF President, and there are adequate governance controls in place to protect UF's interest and reputation, including but not limited to the top administrator of the DSO being hired by mutual agreement of the UF President and DSO Board and reporting to both of them, two UF President- or designee-appointed seats on the DSO Board and key committees, and requirements for UF President or designee ratification of certain key actions such as DSO Board member appointments, Chair and Vice Chair election, incurring debt above ordinary operating lines of credit, budgets, investment policies, and amendment of Bylaws and Articles of Incorporation;

WHEREAS, IFAS faculty and staff will serve as staff and advisors to the DSO and IFAS faculty are anticipated to be the recipients of significant funding for research from the DSO;

NOW, THEREFORE, (1) The University of Florida Board of Trustees after review, hereby certifies that Cattle Enhancement Board, Inc. will be operated in a manner consistent with the goals of the University of Florida and in the best interest of the State of Florida and is certified as a direct-support organization (DSO) of the University of Florida and may use University property, facilities and services; (2) the President of the University of Florida or his designee is authorized to develop, approve and file all organizational documents of the DSO and all applications and associated documents for the DSO's exemption from taxation and status as a 501(c)(3) organization under the Internal Revenue Code and Internal Revenue Service policies and procedures; and (3) the President of the University of Florida or his designee is authorized to approve the business plan for the DSO prior to the making of research awards.

Adopted this 9th day of February, 2016, by the University of Florida Board of Trustees.

A handwritten signature in blue ink, appearing to read "Steven M. Scott".

Steven M. Scott, Chair

A handwritten signature in blue ink, appearing to read "W. Kent Fuchs".

W. Kent Fuchs, President and Corporate Secretary

**ARTICLES OF INCORPORATION
OF
CATTLE ENHANCEMENT BOARD, INC.
A Florida Not-for-Profit Corporation**

The undersigned, acting as incorporator of this Corporation pursuant to Chapter 617 of the Florida Statutes, hereby forms a corporation not for profit under the laws of the State of Florida and adopts the following Articles of Incorporation for such Corporation:

ARTICLE 1. NAME OF CORPORATION AND PRINCIPAL OFFICE

The name of the Corporation is Cattle Enhancement Board, Inc. The principal office is 800 Shakerag Road, Kissimmee, Florida 34744.

ARTICLE 2. TERM

The Corporation shall have perpetual existence.

ARTICLE 3. PURPOSES

This Corporation is organized exclusively for charitable, religious, education and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future Internal Revenue Law, including the promotion of research, education and extension at, or for the benefit of, the Institute of Food and Agricultural Science at the University of Florida on issues related to the Florida cattle industry, including, but not limited to production, disease prevention, forage development and genetic research and technology.

ARTICLE 4. MEMBERS

The Corporation shall not have any members.

ARTICLE 5. POWERS

The Corporation shall have and may exercise all powers, rights and authorities as are now or may hereafter be granted to corporations not for profit under the laws of the State of Florida.

ARTICLE 6. BOARD OF DIRECTORS

All corporate powers shall be exercised and the affairs of the Corporation shall be managed under the direction of a Board of Directors consisting of not less than three (3) persons, the exact number of which shall be provided in the Bylaws. The manner of appointment, election or designation of the directors shall be as provided in the Bylaws.

ARTICLE 7. OFFICERS

The Officers of the Corporation, and the manner of their appointment, shall be as set forth in the Bylaws.

ARTICLE 8. BYLAWS

Bylaws, not inconsistent with Florida law or these Articles, shall be adopted by the Board of Directors to provide for the administration of the affairs of the Corporation and the exercise of its corporate powers but such Bylaws shall not be effective until approved by the President of the University of Florida.

ARTICLE 9. AMENDMENTS

The Articles of Incorporation and Bylaws of the Corporation may be amended by the Board of Directors as provided in the Bylaws but any such amendment shall not be effective until approved by the President of the University of Florida.

ARTICLE 10. LIMITATIONS

No part of the net earnings of the corporation shall inure to the benefit of or be distributed to its directors, officers or other private persons, except that the Corporation shall be authorized to pay reasonable compensation and expenses for operations. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

ARTICLE 11. DISSOLUTION

Upon the dissolution of the Corporation, after payment or making provision for payment of the liabilities and obligations of the Corporation, and after the return, transfer or conveyance of assets which are held by the Corporation under a condition or contract requiring their return, the Board of Directors shall distribute the Corporation's remaining assets to The University of Florida Foundation, Inc. to be held for the purpose of cattle research, education and extension by The Institute of Food and Agricultural Sciences or its successor at the University of Florida;

provided that such organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is described in Section 501(c)(3) of the Internal Revenue Code. In the event that such organization fails to be an exempt organization as described in the foregoing sentence, then the remaining assets shall be distributed to the University of Florida Board of trustees for the purpose of cattle research, education and extension by the Institute for Food and Agricultural Sciences or its successor.

ARTICLE 12. REGISTERED OFFICE AND REGISTERED AGENT

The registered office address of the Corporation is 800 Shakerag Road, Kissimmee, Florida 34744. The name of the registered agent is Jim Handley.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this _____ day of February, 2016.

Incorporator

[Name]
[address]

REGISTERED AGENT'S ACCEPTANCE

Having been named as registered agent to accept service of process for the Cattle Enhancement Board, Inc., Inc. at the place identified in Article 12 hereof, I hereby accept the appointment as registered agent and agree to act in this capacity. I am familiar with and will comply with the provisions of all statutes relating to the proper and complete performance of my duties and I accept the obligations and duties of the registered agent of the Corporation.

Jim Handley

Date

**BYLAWS OF
CATTLE ENHANCEMENT BOARD, INC.**

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**BYLAWS
OF
CATTLE ENHANCEMENT BOARD, INC.**

ARTICLE I - PURPOSES

Section 1.01. Corporation Not for Profit. Cattle Enhancement Board, Inc. (the “**Corporation**”) is a Florida not for profit corporation formed in accordance with Chapter 617 of the Florida Statutes.

Section 1.02. Charitable Purposes. The Corporation is organized exclusively to promote research, education and scientific purposes including the promotion of research, education and extension at, or for the benefit of, the Institute of Food and Agricultural Sciences (“**IFAS**”) at the University of Florida on issues related to the Florida cattle industry, including, but not limited to production, disease prevention, forage development, and genetic research and technology.

ARTICLE II - OFFICES

Section 2.01. Registered Office. The registered office of the Corporation in the State of Florida shall be located at 800 Shakerag Road, Kissimmee, FL 34744.or such other location as may be determined from time to time by the Board of Directors.

Section 2.02. Other Offices. The Corporation may also have other offices, both within and without the State of Florida, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE III - MEMBERS

The Corporation shall have no members.

ARTICLE IV - DIRECTORS

Section 4.01. Management. All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Corporation’s Board of Directors (or “**Board**”).

(a) The Board of Directors shall elect a Chair and a Vice Chair to serve two-year terms commencing immediately following their election and continuing through the meeting closest to the end of two (2) years.

(i) Chair. The Chair will preside at all meetings of the Board of Directors and will do and perform other duties as may be assigned to him or her by the Board or these Bylaws and he or she will be an ex-officio voting member of all Committees.

(ii) Vice Chair. The Vice Chair will preside at all meetings of the Board of Directors in the absence or disability of the Chair and will do and perform other

duties as may be assigned to him or her by the Chair, the Board of Directors, or these Bylaws. In the event of a vacancy in the office of the Chair or the prolonged absence or disability of the incumbent of that office, the Vice Chair will also perform all duties of the Chair until the vacancy is filled, the incumbent resumes service, or a successor to the incumbent is elected by the Board of Directors.

Section 4.02. Number of Directors; Initial Directors and Their Term. The initial Board of Directors shall consist of fifteen (15) directors. The number of directors may be increased or decreased from time to time by resolution of a majority of the Board of Directors at any meeting thereof; provided, however: (i) that the Board of Directors shall consist of not less than three (3) directors nor more than fifteen (15) directors and no decrease in the number of directors shall have the effect of shortening the term of an incumbent director; and (ii) the Board of Directors shall at all times have two (2) Category Two directors as described herein below.

Section 4.03. Board Appointment and Term. The members of the Board of Directors shall be divided into two categories as follows:

(a) Category One. The following organizations (each an “**Appointing Organization**”) shall appoint the indicated number of directors:

(i) Nine (9) directors who are members or employed by members of, and are appointed by, the Florida Cattlemen’s Association, one (1) of whom is a member or employed by a member of the Florida Association of Livestock Markets, one (1) of whom is a member or employed by a member of an allied industry identified by the Florida Cattlemen’s Association, and one (1) of whom is a practicing order buyer identified by the Florida Cattlemen’s Association.

(ii) One (1) director who is a member or employed by a member of, and is appointed by, each of the following entities: Florida Dairy Farmers, Inc., Florida Farm Bureau, Inc., and Florida Cattlewomen, Inc.

(iii) One (1) director who is appointed by the Florida Department of Agriculture and Consumer Services and has expertise in the cattle industry or related matters. The President of the University of Florida or his or her designee, the Senior Vice President for Agriculture and Natural Resources, shall request of the President or Chief Executive Officer of each Appointing Organization, in writing (“**Appointment Request**”), that the Appointing Organization make nomination(s) for its Category One directors, which nominations shall be made in writing by the President or Chief Executive Officer of the Appointing Organization to the President of the University of Florida (“**President**”) (or if the President desires, as his or her designee, to the Senior Vice President for Agriculture and Natural Resources (“**Senior Vice President**”)), for the President’s or such designee’s ratification in writing prior to the appointment being made. Such nominations shall be provided to the President or designee, if any, within thirty (30) days after the date of the Appointment Request. If any nominee is not ratified, an additional Appointment Request will be made by the President or any designee, and additional nominee(s) shall be presented within 30 days after that Appointment Request by the Appointing Organization until ratification is given.

(b) Category Two. Two (2) ex officio voting directors appointed by the President of the University of Florida (or, if the President desires, as his or her designee, the Senior Vice President for Agriculture and Natural Resources).

(c) The Board of Directors may establish the initial term of office for any Category One director, as a one-year or two-year term in order to maintain a staggered expiration of terms of office.

(d) After the initial term has been served, subsequent Category One director terms will be three (3) years, limited to two (2) consecutive terms for any Director. A partial term of six months or less to fill a mid-term vacancy shall not be counted in the two-term limit. A period of at least one (1) year shall expire after two consecutive terms are served before an individual may again be appointed as a Category One director.

(e) Category One directors shall hold office until the annual meeting closest to the end of such director's term. Vacancies resulting from the expiration of terms shall be filled at such annual election. Each director shall hold office for the term for which such director is appointed and until such director's successor shall have been appointed or until such director's earlier resignation, removal from office or death. Notwithstanding the foregoing, upon any mid-term vacancy of a Category One director, the relevant Appointing Organization may initiate a new appointment at any time by following the ratification and appointment procedure set forth in subsection 4.03 above. Upon ratification of a nominee by the University President or designee, he or she shall notify the Corporation in writing of such replacement and the replacement director shall be appointed and serve only for the remaining term of the director whose seat on the Board was vacated mid-term and is eligible for appointment for additional terms thereafter in accordance with subsection (d) hereof.

Section 4.04. Qualification. Directors must be natural persons who are eighteen (18) years of age or older but need not be residents of the state of Florida and Category One directors shall not be employees of the Corporation.

Section 4.05. Compensation. No member of the Board of Directors shall receive any compensation from the Corporation; provided, however, that the directors shall be reimbursed for any reasonable out-of-pocket expenses incurred in performance and furtherance of their duties as directors.

Section 4.06. Meetings. An annual meeting of the Board of Directors shall be held during the month of January on a day selected by the Board of Directors. If the day fixed for the annual meeting shall be a legal holiday in the State of Florida, such meeting shall be held on the next succeeding business day. Special meetings of the Board of Directors shall be held when called by the Chair, a majority of the members of the Board of Directors, or the two Category Two members of the Board, and at such additional times as may be designated by the Board of Directors. At such meetings, the Board of Directors shall transact such business as may be properly brought before the meeting.

Section 4.07. Place of Meetings. Meetings of the Board of Directors, annual or special, may be held either within the State of Florida at such place or places as the Board of Directors may from time to time by resolution designate, or as the Chair or the directors calling a special meeting designate, provided that the place is a place where constituencies of the Corporation are located.

Section 4.08. Quorum and Voting. A majority of the number of directors then serving shall constitute a quorum for the transaction of business, provided that at least one (1) Category Two director is present. The act of a majority of the directors present at a meeting at which a quorum exists shall be the act of the Board of Directors except that two-thirds of all directors then serving must concur in amending these Bylaws or the Articles of Incorporation, and a majority of directors then serving must concur in any action being taken is a Priority Action as designated in these Bylaws.

Section 4.09. Presumption of Assent. A director of the Corporation who is present at, or has actual notice or was given notice of, a meeting of the Board of Directors or a committee of the Board of Directors where corporate action is taken, is deemed to have assented to the Board's ability to hold the meeting and take the action, notwithstanding any procedural defect, including without limitation defect in notice, unless such director objects prior to the meeting (if not attending) or at the beginning of the meeting (or promptly upon such director's arrival), to holding such meeting or transacting the specified business at such meeting.

Section 4.10. Notice of Meetings. In addition to Public Notice required in Section 4.12 below, written notice of the date, time and place of meetings of the Board of Directors shall be given to each director at least two (2) weeks before the annual meeting and at least five (5) days before a special meeting of the Board.

Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which the meeting has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not called or convened in accordance with these Bylaws.

Section 4.11. Telephone and Similar Meetings. The directors may participate in, and hold meetings by means of, conference telephone, video conference, or similar communications equipment such that all persons participating in the meeting can speak to and hear each other, and all persons attending the meeting can hear all participants. A director participating in a meeting by such means shall be deemed to be present in person at such meeting and will be counted for purposes of establishing a quorum.

Section 4.12. Public Notice.

(a) Public notice of any meeting of the Board of Directors or any committee thereof shall be made as provided by Florida law.

(b) To the extent required by law or permitted by the Chair of the Board or chair of a committee, individuals and representatives of groups who desire to appear before the Board or any committee regarding any item being considered on a meeting agenda must submit their requests to the Secretary, 800 Shakerag Road, Kissimmee, FL 34744 or to such other address or email address as noted in the public notice of the meeting, specifying the agenda item about which they wish to speak. Such request along with the requestor's name and contact information, any group or faction represented, and any supporting documentation, must be submitted at least three working days prior to the start of the meeting. The Chair or committee Chair, in consultation with the President, and complying with the law, will determine whether the comment on the item will be heard and when (at what meeting and when on the agenda) it will be heard, and may require a representative for a group or faction if many members request to be heard. There will be a time limit not to exceed five minutes on any public comment; the aggregate time for all public comments at a meeting need not exceed 15 minutes. The Chair or Chair of the committee may decline to hear any matter determined by the Chair or Committee chair not to relate to a particular agenda item or that is outside the jurisdiction of the Board or committee, or because it is not practicable for a particular meeting.

Section 4.13. Removal of Directors. At a meeting of the Board of Directors called expressly for the purpose of removing one or more directors, any Category One director may be removed, with or without cause, by a vote of a majority of the Board of Directors. Any director may be removed from the Board, and any director or Special Appointee may be removed from a committee "for cause" (as defined herein below) by the President of the University of Florida, or his or her designee, after consultation with the non-affected directors of the Corporation or, if desired by the Board, with the Chair or Vice Chair of the Board as the Board-authorized executive of the Corporation for this purpose.

Section 4.14. Vacancies. Any vacancy occurring in Category One of the Board of Directors may be filled by the organization that appointed such director in accordance with Section 4.03(a).

Section 4.15. Duties of Directors. A director shall discharge such director's duties as a director, including such director's duties as a member of any committee of the Board of Directors on which such director may serve, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such director reasonably believes to be in the best interests of the Corporation.

In performing such director's duties, a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by:

(a) one or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(b) legal counsel, public accountants or other persons as to matters the director reasonably believes are in such person's professional or expert competence; or

(c) a committee of the Board of Directors of which such director is not a member if the director reasonably believes such committee merits confidence.

A director shall not be deemed to be acting in good faith if such director has knowledge concerning the matter in question that makes reliance on the information, opinions, reports or statements, including financial statements and other financial data, of others, as described in this Section, unwarranted

Section 4.16. Indemnification.

(a) Indemnification. Every director and officer of the Corporation, as well as Special Appointees, shall be indemnified by the Corporation against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed on the director, officer, or Special Appointee in connection with any proceeding, including any appeal, or any settlement of any proceeding, or a threat thereof, to which the individual may be a party or in which he or she becomes involved as a result of or in the course of serving as a director, officer, or Special Appointee. The indemnified party does not have to be a director, officer, or Special Appointee at the time the expenses or liabilities are incurred or imposed. In the event, however, of a settlement before entry of judgment, or in the case of a settlement of a threat of a proceeding, the indemnification shall apply only upon approval by the non-affected members of the Board, or the Chairman of the Board as the authorized Corporation executive for this purpose, as being in the best interests of the Corporation. This indemnification is in addition to and not exclusive of all other rights to which the person may be entitled.

(b) Exceptions and Limitations. The indemnification set forth above does not apply in the case of an action by, or in the right of, the Corporation, if prohibited by law, or if a two-thirds vote of the members of the Board then serving determines the otherwise indemnified person acted in bad faith or with willful misconduct. A current or former director, officer, or Special Appointee is entitled to indemnification only if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and (where applicable) had no reasonable cause to believe his or her conduct was unlawful. This indemnification shall be made in accordance with Section 607.0850, Florida Statutes, as amended from time to time. The Board may arrange and pay for appropriate insurance to cover all such losses and expenses. Nothing in these Bylaws shall waive or derogate from the application or protection of sovereign or other immunity under law or constitution. Any available insurance and immunity shall provide primary protection; however, the indemnification under this and the prior subsection shall be provided to the indemnified person when he or she is not promptly or adequately protected by insurance or immunity on the following condition. The indemnified person shall first agree in writing to use best reasonable efforts to provide, to the extent possible, for the Corporation to obtain the benefit of the indemnified person's right to insurance coverage or other protection, whether by assignment, cooperation, subrogation, or other means.

Section 4.17 Liability of Directors. The directors of this Corporation shall not be personally liable for money damages to any person for any statement, vote, decision, or failure to take an action, and the Corporation shall indemnify the directors (subject to and in accordance

with the provisions of Section 4.16), regarding organizational management or policy by an officer or director, and for the debts, liabilities, or other obligations of this Corporation unless:

(a) the director breached or failed to perform such director's duties as a director; and

(b) the director's breach of, or failure to perform, such director's duties constitutes:

(i) a violation of the criminal law, unless the director had reasonable cause to believe such director's conduct was lawful or had no reasonable cause to believe such director's conduct was unlawful;

(ii) a transaction from which the director derived an improper personal benefit, either directly or indirectly; or

(iii) recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

Section 4.18 Director Conflicts of Interest. The Board of Directors shall adopt a conflict of interest policy for the Board members which shall reflect the best interests of the Corporation.

ARTICLE V - COMMITTEES

Section 5.01. Committees. There shall be the following standing committees of the Board of Directors: an Executive Committee, a Finance Committee, an Audit Committee, a Governance and Compensation Committee, a Research Management Committee, a Commercial Product Delivery Committee and an Industry Research Coordinating Committee; and the Chairman on his own, or the Board of Directors may create such additional committees as it may desire, by resolution adopted by a majority of the members of the full Board of Directors then serving. The Chairman may create any additional advisory committee that does not have any decision-making authority; the members of any such committee shall include directors but may also include a minority of members who are not directors. The Chair of the Board shall determine the members and chairs of the committees, except as otherwise specifically provided by these Bylaws, and all of the members of the standing committees shall be members of the Board, except as specifically provided otherwise by these Bylaws. If specifically permitted under a committee's section of these Bylaws, a minority of members of a committee may be individuals who are not members of the Board of Directors of the Corporation ("**Special Appointee**"), but Special Appointees may not chair a committee. Notwithstanding any other provision, no Board committee shall have the authority to:

(a) fill vacancies on the Board of Directors or any committee thereof;

or

(b) adopt, amend or repeal the Articles of Incorporation or the Bylaws.

or (c) hire an officer (including the president) of the Corporation

or (d) take any action that is a Priority Action as defined in Section 10.09.

Section 5.02. Executive Committee. The Executive Committee shall consist of the Chair, Vice Chair, President, Treasurer and a Category Two director, who shall also be a permanent ex officio voting member of the Executive Committee. In the event that a person holds any two of the foregoing positions, an additional committee member shall be elected to the Executive Committee such that the Executive Committee shall consist of five (5) members. The Chief Operating Officer will attend all meetings, unless otherwise directed, as a non-voting member of the Committee. The Executive Committee shall conduct meetings at such time, date and location as it may from time to time designate in writing, upon at least forty-eight (48) hours' notice. Upon such notice, meetings may be called by the Chair of the committee. The presence of a majority of the committee members then serving shall be necessary for the adoption of any resolution. The Executive Committee shall have the power to transact and supervise all regular and ordinary business of the Board of Directors between meetings of the Board of Directors provided any action taken shall not conflict with the policies of and expressed wishes of the Board of Directors, and shall not concern matters of significant budget impact, matters of Priority Action, or actions in conflict with the purpose or provisions of these Bylaws, the Articles of Incorporation, or the laws of the State of Florida. The Executive Committee shall be convened when it is not realistically possible to obtain a full Board quorum to address matters of ordinary business that require Board approval, but that do not have significant budget impact (in excess of a threshold to be determined by Board action prior to any action of the Executive Committee) or do not establish or alter standing policy or procedures. An example would be time-sensitive endorsement of or commitment of in-kind cost-share to applications for external (non-corporate) funding that support the Corporation's research program goals. Approval of committee recommendations to the Board of Directors that are time-sensitive and operational in nature might also be considered by the Executive Committee to expedite committee or staff follow-through. Items that are not time sensitive would be deferred to a forthcoming Board of Directors meeting. Time-sensitive items do not require formal board action but are brought forth from Staff seeking guidance might also be considered by the Executive Committee. All items considered by and actions taken by the Executive Committee will be reported to the full Board through written minutes and report to the next Board Meeting.

Section 5.03. Finance Committee: The Treasurer shall be the chair of the Finance Committee, which shall include at least two other Board members including one Category Two member as an ex officio voting member. The Finance Committee is responsible for developing and reviewing fiscal policies, and operating and strategic budgets, investment management, and monitoring the fiscal performance of the Corporation. Annual reports are required to be submitted to the Board showing income and expenditures. The financial records of the organization shall be made available to all directors. An annual operating budget and capital budget shall be approved by the Board of Directors.

Section 5.04. Audit Committee. The Audit Committee's purpose is to assist the Board of Directors in fulfilling its fiduciary oversight responsibilities to include the Corporation's financial reporting process and systems of internal controls regarding finance, accounting, and

legal compliance, as well as the independence and performance of internal and external auditors, by engaging the Corporation's external and internal auditors, setting the annual audit plans with the auditors, reviewing and approving the annual audits of the Corporation, reviewing and approving significant financial risk exposures and mitigation plans, and reviewing and approving the IRS Form 990. The external auditor shall report directly to the Audit Committee. A category Two director shall be an ex-officio voting member of the Audit Committee. Not later than the end of the third month following the close of the Corporation's fiscal year a copy of the annual audit report and management letters shall be provided to all directors and to the University of Florida President or his or her designee. The Committee shall prepare an Audit Charter which shall be submitted to the Board of Directors for adoption.

Section 5.05. Governance and Compensation Committee: The Governance and Compensation Committee shall be composed of Board members, including one Category Two voting ex officio member, and is responsible for defining and assessing qualifications for Category One directors, and may provide recommendations on suggested new Board members to the Appointing Organization. The committee is also charged with assimilating new members quickly and for making recommendations to the Board for staff succession planning as well as evaluating and making recommendations on compensation issues.

Section 5.06. Research Management Committee. The Research Management Committee is responsible for determining research priorities for the Corporation, soliciting research and demonstration proposals from appropriate entities, managing the proposal review process and recommending to the Board of Directors the research priorities and recommendations on the proposals to be funded. This committee shall consist of Category One directors, one Category Two ex officio voting director, and may include a minority of members who are Special Appointees appointed by the Board Chair. Special Appointees may vote on matters coming before the Research Management Committee but shall not be entitled to vote on matters coming before the Board of Directors.

Section 5.07. Commercial Product Delivery Committee. The Commercial Product Delivery Committee is responsible for working with sponsored research collaborators to protect intellectual property rights and commercial collaborators for manufacturing and marketing the technology identified. This Committee will also work with entities licensed to use the technology to obtain regulatory approvals. The committee will include at least two (2) Category One members of the Board and one Category Two ex officio voting director. The Board Chair may appoint a minority of committee members who are Special Appointees. Special Appointee committee members may vote on matters coming before the Commercial Product Delivery Committee but shall not be entitled to vote on matters coming before the Board of Directors. The Chairman of the Commercial Product Delivery Committee will be a Category One Board member.

Section 5.08. Industry Research Coordinating Committee. The Industry Research Coordinating Committee is responsible for recommending the research priorities for the Florida cattle industry to the Board that are outside the scope of work of the Research Management Committee. This Committee will focus efforts on threats or opportunities for all elements of the industry that fall within its scope. This Committee will perform an annual GAP analysis and,

working with all elements of the Florida cattle industry, establish research priorities that fall within its scope. The committee shall include Category One members and one Category Two member. The Chairman of the Board may appoint a minority of members to the committee who are Special Appointees with industry expertise. The committee will include at least two (2) Category One members of the Board. Special Appointee members may vote on matters coming before the Commercial Product Delivery Committee but shall not be entitled to vote on matters coming before the Board of Directors. The Chairman of the Commercial Product Delivery Committee will be a Category One Board member.

Section 5.09. Procedures for Committees:

(a) The provisions of these Bylaws governing meetings, notice (except for the time required for notice), waiver of notice and quorum and voting requirements for the Board of Directors shall also apply to executive and other committees and their members.

(b) Each committee established pursuant to this Article must have three (3) or more committee members who shall serve at the pleasure of the Chair of the Board of Directors and shall satisfy the requirements for the particular committee, if any, as provided in this Article. The Chair of the Board of Directors may appoint to any committee one (1) or more Category One directors as alternate committee members of any such committee who may act in the place and stead of any absent Category One committee member or members at any meeting of such committee.

ARTICLE VI - OFFICERS

Section 6.01. Officers. The officers of the Corporation shall consist of a President, Treasurer, Secretary and Chief Operating Officer, and may also consist of such other officers as the Board of Directors may from time to time consider necessary for the proper conduct of the business of the Corporation. The same person may simultaneously hold more than one office, except that the same person may not simultaneously hold the offices of president and secretary.

Section 6.02. Election, Term of Office and Qualification. Except as provided herein to the contrary, each officer shall be elected by the Board of Directors. Each such officer (whether elected at an annual meeting of the Board of Directors or to fill a vacancy or otherwise) shall hold his or her office until the next annual meeting of the Board of Directors and until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal.

Section 6.03. Resignations. An officer may resign at any time by delivering notice to the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date in writing, the Board of Directors of the Corporation may fill the pending vacancy before the effective date if the Board of Directors provides the successor does not take office until such effective date. If the Corporation does not accept the later future date, the Corporation may designate an earlier future effective date on or after the date of the resignation notice, and shall do so in writing.

Section 6.04. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 6.05. Vacancies. Any vacancy in any office occurring by reason of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that a special meeting may be called by the Chair, any two directors, or the full Board for that purpose.

Section 6.06. Contract Rights. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the Corporation, nor does an officer's resignation affect the Corporation's contract rights, if any, with such officer.

Section 6.07. Duties of Officers.

(a) President. The President, shall have authority over the general and active management of the business and affairs of the Corporation subject to the direction and supervision of the Board of Directors. The President may sign, with the Secretary or other officer duly authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments the execution of which has been authorized by the Board of Directors, except in cases where the signing and execution thereof shall have been expressly delegated by the Board of Directors, by these Bylaws, or by law to some other officer or agent of the Corporation. The President shall report to the Board and to the President of the University of Florida, or his or her designee the Senior Vice President for Agriculture and Natural Resources, and may be removed for cause or unacceptable performance by the University President, or his or her designee, after consultation with the Board of directors or the Chair or Vice Chair of the Board as the Corporation's authorized executive for this purpose.

(b) Secretary. The Secretary shall be responsible for the custody and maintenance of all corporate records except the financial records, shall record the minutes of all meetings of the Board of Directors and executive and other committees, if any, shall send out all notices of meetings where required under these Bylaws or otherwise required by law, and shall perform such other duties and have such other authority and power as may be prescribed from time to time by the Chair of the Board of Directors, the Board or the President.

(c) Treasurer. The Treasurer shall have custody of all financial records, shall keep full and accurate records of receipts and disbursements and render accounts thereof whenever required by the Chair of the Board of Directors, the Board or by the President, and shall perform such other duties and have such other authority and power as may be prescribed from time to time by the Chair of the Board of Directors, the Board or the President. If so required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors may deem appropriate.

(d) Chief Operating Officer. The Chief Operating Officer for the Corporation shall be responsible for the day to day management of the business affairs of the

Corporation. The Chief Operating Officer shall report to the Board of Directors and to the President of the University of Florida or his or her designee, the Senior Vice President for Agriculture and Natural Resources, and may be removed from this position for cause or unacceptable performance by the President of the University of Florida or his or her designee, the Senior Vice President for Agriculture and Natural Resources after consultation with the Board of Directors or the Chair or Vice Chair of the Board as the Corporation's authorized executive for this purpose.

Section 6.08. Compensation. The Board of Directors may authorize payment of reasonable compensation to the officers of the Corporation for services rendered, and for hired or contracted administrative staff and reasonable administrative expenses. Appropriate procedures shall be followed for compliance with prohibitions of excess benefits transactions and payments respecting disqualified persons under the Internal Revenue Code and related guidance. If any University of Florida employee is an officer of the Corporation, any compensation shall be paid to the University and not the individual.

ARTICLE VII - FUNDS, DEPOSITS, CHECKS AND FEES

Section 7.01. Gifts and Contributions. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise of any property whatsoever, for the general and special charitable purposes of the Corporation.

Section 7.02. Deposits. Investment policies of the Corporation shall be approved by the Board of Directors. All investment funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select. Funds not held for investment by the Corporation shall be electronically transferred to the Corporation's bank account maintained for it by the University of Florida. The Corporation shall not be required to deposit funds with the University of Florida Foundation, Inc., but may deposit funds with the University of Florida Foundation, Inc. and shall be afforded the most competitive fees offered by the University of Florida Foundation, Inc. to its other like participants in its investment funds.

Section 7.03. Checks, Drafts, Orders for Payment. All checks shall be prepared timely by the University of Florida upon valid vouchering by the Corporation. Such checks shall be issued in the name of the Corporation, and shall contain the signature of such officer or officers, agent or agents of the Corporation as may be authorized by the Board of Directors. The administrative fee charged and the timeliness of performance of these financial services performed by the University of Florida shall be reviewed annually by the Board of Directors. The administrative fees charged shall be the most competitive fees charged by the University of Florida for such services to other like participants.

Section 7.04. Indirect Cost Fee to University of Florida. The Corporation shall pay at least the minimum indirect cost fee (IDC) for the University's administration and support of research awards made to it, as such fee is established by the University's Vice President for Research and is in effect from time to time and the Corporation has been noticed in advance as to

the percentage amount. The IDC shall be included within all research proposals submitted to the Corporation, and shall not be a subsequent additional levy post-project award.

ARTICLE VIII - CORPORATE RECORDS

The Corporation shall keep as permanent records, correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records shall be kept in written form or in another form capable of conversion into written form within a reasonable time.

ARTICLE IX - MISCELLANEOUS

Section 9.01. Corporate Seal. A corporate seal shall not be required to be attached to any instrument executed by or on behalf of the Corporation unless required by law, but if so required shall be of such shape and have such words thereon as may be described by law or by the Board of Directors. The seal may be used by impressing it or reproducing a facsimile thereof, or otherwise. Each of the President and Secretary of the Corporation, acting singly, shall be responsible for the corporate seal and is authorized to affix it when required as provided in this Section.

Section 9.02. Fiscal Year. The Corporation's fiscal year shall begin on July 1 and end on June 30 of the following year.

Section 9.03. Amendment of Bylaws. The Board of Directors may amend or repeal the Corporation's Bylaws by an action of two-thirds of its directors then serving.

Section 9.04. Relation to Articles of Incorporation. These Bylaws shall be subject to, and governed by, the Corporation's Articles of Incorporation, which may be amended an action of two-thirds of the directors then serving..

Section 9.05. Regulations of the University of Florida. The Articles of Incorporation and the Bylaws of the Corporation will be consistent with the applicable Regulations and policies of the University of Florida, including, but not limited to, the right of the President of the University of Florida, or his or her designee, to monitor and control the use of the resources of the University, the use of the name of the University, and the Corporation's compliance with federal and state laws and rules. The Corporation shall at all times comply with the provisions of Regulation 6C1-1.300 and The University of Florida Board of Trustees Internal Operating Memorandum 07-20 in effect as of the date of the adoption of these Bylaws.

Section 9.06. Non Discrimination. The Corporation will not discriminate based upon race, creed, color, religion, age, disability, sex, sexual orientation, gender identity and expression, marital status, national origin, political opinions or affiliations, genetic information, and veteran status under the Viet Nam Era Veterans' Readjustment Assistance Act.

Section 9.07. Written Policies. The Corporation shall have written policies on ethics, conflicts of interest, personnel, discrimination and sexual harassment.

Section 9.08. Review of Mission. The President of the University of Florida or his or her designee shall periodically review the mission of the Corporation to ensure that it is in furtherance of the interests of the University of Florida, including its Institute of Food and Agricultural Sciences.

Section 9.09. Definitions.

(a) “For Cause” shall mean consistent poor performance or actions or omissions that may adversely reflect on the interest and/or reputation of the Corporation or the University of Florida, as determined by the President of the University of Florida or his or her designee, the Senior Vice President for Agriculture and Natural Resources, after consulting with the Board of Directors or the Chair or Vice Chair of the Board as the Corporation’s authorized executive for this purpose. Any such determination may be made by the President of the University of Florida or designee and need not depend on the conclusion of any external determination or process.

(b) “Priority Action” means an action of the Board of Directors that becomes effective only upon ratification by the President of the University of Florida. The following actions of the Board of Directors shall be taken by it as Priority Actions (and this shall be deemed a substantive requirement of these Bylaws):

(i) election of the Chair and Vice Chair of the Board under Article IV, whether initially or upon any vacancy, and the hiring and election of the President and the Chief Operating Officer of the Corporation under Article VI, whether initially or upon any vacancy;

(ii) approval of any debt or bonds above ordinary business lines of credit and the caps defining ordinary business lines of credit (which shall be established and acted on by the Board, doing so as a Priority Action);

(iii) approval of the Audit Committee Charter and any amendments thereto;

(iv) approval of capital and operating budgets, asset allocation and investment policies for long- and short- term needs, and real estate and other capital asset acquisition and disposition policies, all of which shall be established and acted on by the Board of Directors, doing so as a Priority Action (and the Board, as a Priority Action, shall designate which decisions require the University President’s ratification under said policies);

(iv) approval of Corporation’s conflict of interest policies;

(v) amendment of these Bylaws and/or the Articles of Incorporation of the Corporation; and

(vi) any merger, legal partnership or joint venture (which shall not include research collaborations where the participants do not take on the liability or contractual obligations of one another), or corporate restructuring.

(c) “Unacceptable Performance” means a persistent failure to fulfill duties of the position to high standards and in a manner that serves the best interests of the Corporation and the University of Florida, as determined by the President of the University of Florida or his or her designee, the Senior Vice President for Agriculture and Natural Resources, after consulting with the Board of Directors or the Chair or Vice Chair of the Board as the Corporation’s authorized executive for this purpose.

ARTICLE X - DISSOLUTION

Upon the dissolution of the Corporation, after payment or making provision for payment of the liabilities and obligations of the Corporation, and after the return, transfer or conveyance of assets which are held by the Corporation under a condition or contract requiring their return, the Board of Directors shall distribute the Corporation’s remaining assets to The University of Florida Foundation, Inc. to be held for the purpose of cattle research, education and extension by The Institute of Food and Agricultural Sciences at the University of Florida or its successor; provided that such organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is described in Section 501(c)(3) of the Internal Revenue Code. In the event that such organization fails to be an exempt organization as described in the foregoing sentence, then the remaining assets shall be distributed to the University of Florida Board of Trustees to be held for the purpose of cattle research, education and extension by said Institute of Food and Agricultural Sciences or its successor.



**UNIVERSITY OF FLORIDA BOARD OF TRUSTEES
COMMITTEE ON FINANCE AND FACILITIES
COMMITTEE ACTION ITEM FF1
February 9, 2016**

SUBJECT: Approval of Assignment of Hilton Hotel Sublease and Associated Estoppel Certificate/Agreement

BACKGROUND INFORMATION

The University of Florida Hilton Hotel and Conference Center ("Hotel"), located at the intersection of SW 34th Street and Hull Road on the western edge of the UF campus, is situated on land owned by the State of Florida (through the Internal Improvement Trust Fund) and master-leased to UF (the "Master Lease"). UF subleases the land to the current owner of the Hotel (an affiliate of the Xenia group, the "Owner") pursuant to a sublease agreement (the "Sublease"). The Owner expects to sell its interest in the Hotel, and accordingly assign the Sublease, in the near future, and the UF Board's consent is a prerequisite to any assignment of the Sublease. Additionally, the lender of the prospective purchaser (an affiliate of the Arden group of Philadelphia, the "Purchaser") has asked that UF, as the sublessor under the Sublease, execute an Estoppel Certificate and Agreement (copy attached) attesting, among other things, to the absence of any defaults under the Sublease, and also confirming UF's consent to the proposed assignment and the appointment of the proposed Hotel operator.

Supporting material for this Action Item, including the Owner's formal request for UF's consent to the assignment, Purchaser's organizational chart as it will relate to the Hotel, Purchaser's financial statements, and biographical information relating to Purchaser and Purchaser's proposed operator of the Hotel, are also attached. Below is the most pertinent background information relating to the Purchaser's plans for the Hotel, Purchaser's qualifications, and the closing of the Hotel transaction:

- The Purchaser proactively contacted Senior Vice President and Chief Operating Officer Charlie Lane to inform him of Purchaser's plan to acquire the Hotel, invest ~\$9-11 million in improvements, and continue the current Hilton brand (not a down-graded brand). UF's consent, not to be unreasonably withheld, would be needed to change the name from the Hilton Hotel and Conference Center brand in any event.
- Purchaser satisfies the Sublease criteria for the UF Board's consent: (1) the new subtenant must have a net worth of at least \$10M (including equity in the hotel and

conference center)(Purchaser exceeds); (2) the new subtenant or its operator must be an experienced hotel and conference center operator of similar facilities (Purchaser and its planned operator satisfy); and (3) the new subtenant and its operator must be of good character and reputation (Purchaser is reputable from our market review).

- Purchaser is not asking for any changes to the sublease at this time. UF would have to agree to any changes in the future before they could be made, and this would give us an opportunity to consider our needs as well as Purchaser's.
- The Internal Improvement Trust Fund (IITF), as the lessor under the Master Lease, is processing the estoppel certificate that it too needs to provide, and is expected to deliver it to Purchaser before the targeted transaction closing date of February 11th.
- The UF estoppel certificate will be conditioned on UF's receipt of an executed copy of the IITF estoppel certificate. There are no defaults under the Sublease to our knowledge, and the clarifications provided in the UF Estoppel Certificate pertaining to what happens in the event of any future default and foreclosure are customary.

PROPOSED COMMITTEE ACTION

The Committee on Finance and Facilities is asked to approve, for recommendation to the Board of Trustees for its approval on the Consent Agenda, the following: (i) UF's consent to Owner's assignment of the Sublease to Purchaser upon Owner's sale of the Hotel; (ii) the attached Estoppel Certificate and Agreement; and (iii) authorization of the President or Senior Vice President and Chief Operating Officer of UF, acting singly, to execute said Estoppel, subject to UF's receipt of a copy of the IITF's executed estoppel certificate, and to approve and execute any other documents and to take any other actions that either of them determine are appropriate in connection with giving UF's consent to the assignment and sale.

SIGNIFICANT POLICY ISSUES FOR COMMITTEE TO CONSIDER

No significant policy issues are noted in this action. Board of Governors approval is not required.

Supporting Documentation Included: See attached Owner's request for consent, Purchaser's organizational chart, Purchaser's financial statements, Purchaser's and operator's biographical materials, and Estoppel Certificate and Agreement.

Submitted by: Dr. Charles E. Lane, Senior Vice President and Chief Operating Officer

Approved by the University of Florida Board of Trustees, February 9, 2016


Steven M. Scott, Chair


W. Kent Fuchs, President and Corporate Secretary

IA LODGING GAINESVILLE, L.L.C.
200 S Orange Ave #1200
Orlando, Florida 32801

VIA FEDERAL EXPRESS

January 12, 2016

The University of Florida Board of Trustees
204 Tigert Hall
University of Florida
Gainesville, Florida 32611
Attention:

Re: Amended and Restated Sublease Agreement by and between The University of Florida Board of Trustees and on behalf of the University of Florida (the "University Board"), as successor-in-interest to the Board of Regents of the State of Florida, as landlord, and Florida Conference Center Associates, Inc., a Florida corporation, as tenant, dated October 22, 1998 (the "Sublease"), which Sublease has been assigned to IA Lodging Gainesville, L.L.C., a Delaware limited liability company ("Seller")

Ladies and Gentlemen:

We are writing to you in connection with the Sublease, pursuant to which the undersigned Seller currently owns and operates the Hilton University of Florida Conference Center Gainesville (the "Hotel"). The purpose of this letter is to request your consent to (i) the assignment by the Seller to AREP II GH Hotel LLC, a Delaware limited liability company ("Purchaser"), of all of Seller's right, title and interest in and to the Sublease and the Hotel (the "Assignment") and (ii) the engagement by Purchaser of Merritt Hospitality, LLC, a Delaware limited liability company ("Hotel Manager"), for the management and operation of the Hotel following such assignment (the "Manager's Engagement").

Seller is currently under contract with Arden Group Acquisition Co., L.L.C., a Delaware limited liability company ("Original Purchaser"), to sell and convey all of Seller's right, title and interest in and to the Sublease and the Hotel pursuant to that certain Purchase and Sale Agreement dated as of November 16, 2015 (as the same has been and may be amended from time to time, the "Purchase Agreement"). Original Purchaser intends to assign all of its right, title and interest in and to the Purchase Agreement at or prior to the closing thereunder to Purchaser. The closing on the transaction provided for in the Purchase Agreement (the "Transaction") is scheduled to occur on February 11, 2016.

In accordance with conversations between the University Board's representatives and each of Seller and Purchaser and their respective counsel, we are pleased to submit to you this formal request for consent to the Assignment, which consent Seller is hereby requesting from (1) the University Board pursuant to the terms of the Sublease and (2) the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("BTIITF") pursuant to the terms of that certain Lease Agreement between BTIITF, as lessor, and the predecessor-in-interest to the University Board, as lessee, dated February 18, 1974, under lease number 2734, as modified by that certain Lease Modification Agreement dated as of October 5, 2006 between BTIITF and the University Board.

In addition to Seller's request for consent to the Assignment, Seller also hereby requests on Purchaser's behalf consent to the Manager's Engagement. Hotel Manager, an affiliate of HEI Hotels

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& Resorts, is a recognized, industry-leading operator of upper upscale, full- and premium select-service hotels and is currently engaged by affiliates of Purchaser for the management and operation of three other hotels that are comparable to the Hotel.

In support of the foregoing request for consent to the Assignment and the Manager's Engagement, attached hereto as Exhibit A is a packet of information pertaining to Purchaser and Hotel Manager, including an organizational chart depicting the ownership structure of Purchaser, financial reports of the relevant owners of Purchaser and information evidencing the abilities of Purchaser and Hotel Manager to successfully own and operate the Hotel following closing on the Transaction.

Counsel to the University Board has previously been provided with forms of Estoppel Certificates and Agreements to be executed by the University Board and BTITF (the "Estoppels"), copies of which are attached hereto as Exhibit B for ease of reference. Along with the consents that we have requested hereunder, we hereby formally request that the University Board and BTITF provide executed Estoppels in a form to be mutually agreed upon between Purchaser and the University Board and BTITF, respectively. After speaking with counsel for the University Board, it is our understanding that such forms of the Estoppels are currently being addressed.

We respectfully request that the University Board give due consideration to our anticipated closing date of February 11, 2016 in light of the fact that our ability to close on the Transaction is conditioned upon our receipt of the consents and the Estoppels requested hereunder.

Please do not hesitate to contact us or our counsel, Andrew Orosz, copied on this letter, with any questions.

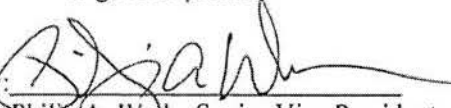
Thank you in advance for your time and consideration.

Sincerely,

IA LODGING GAINESVILLE, L.L.C.,
a Delaware limited liability company

By: XHR LP,
a Delaware limited partnership,
its sole member

By: XHR GP, Inc.,
a Delaware corporation,
its general partner

By: 
Philip A. Wade, Senior Vice President

PURCHASER'S ACKNOWLEDGEMENT:

AREP II GH HOTEL LLC

By: AREP II GH HOTEL MANAGER LLC,
its sole manager



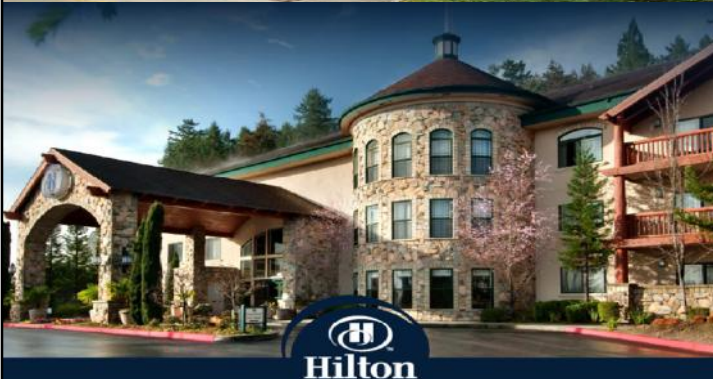
By: _____
Craig A. Spencer, its sole member

cc: Andrew J. Orosz, Esq. (Counsel for Seller)
Howard Grossman, Esq. (Counsel for Purchaser)

EXHIBIT A

Attached please find the following:

1. Purchaser's Organizational Chart
2. Financial Statements (as of Third Quarter 2015) for Arden Real Estate Partners, II, L.P.
3. Financial Statements (as of Third Quarter 2015) for Arden Opportunity Fund, II, L.P.
4. Biographical Materials for The Arden Group, Inc.
5. Biographical Materials for Hotel Manager



ARDEN | REAL ESTATE PARTNERS II

**3Q 2015
Financial Supplement**

Statement of Assets, Liabilities and Net Assets as of September 30, 2015

Assets	
Investment in real estate company:	
AREP II Holding ICT, LLC	\$ 8,257,096
Other Investments:	
Mezzanine Loan - A7PP Holding HSV, LLC	7,931,888
Cash	3,263,469
Prepaid Insurance	10,344
Advances	4,297
Total Assets	\$ 19,467,094
Liabilities and Net Assets	
Liabilities	
Accounts Payable and Accrued Expenses	25,913
Net Assets	19,441,181
Total Liabilities and Net Assets	\$ 19,467,094

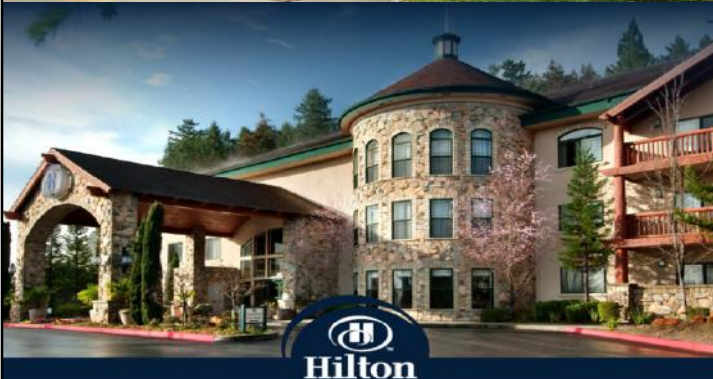
Statements of Operations

Three and Nine Months Ended September 30, 2015

	Three Months Ended	Nine Months Ended
	September 30, 2015	September 30, 2015
Investment Income		
Interest	\$ 236,185	\$ 427,618
Dividends	454,942	1,143,211
Total Investment Income	691,127	1,570,829
Expenses		
General and Administrative Costs	71,810	179,003
Management Fees	474,965	1,419,507
Professional Fees	6,726	21,998
Total Expenses	553,501	1,620,508
Net Investment Income (Loss)	\$ 137,626	\$ (49,679)

Statement of Change in Net Assets Nine Months Ended September 30, 2015			
	General Partner	Limited Partners	Total
Net Assets, January 1, 2015	\$ 86,200	\$ 10,880,696	\$ 10,966,896
Capital Contributions	632,617	9,500,337	10,132,954
Capital Distributions	(43,737)	(1,414,160)	(1,457,897)
Offering Costs	(4,533)	(146,560)	(151,093)
Net Investment Loss	(1,490)	(48,189)	(49,679)
Net Assets, September 30, 2015	\$ 669,057	\$ 18,772,124	\$ 19,441,181

Statement of Cash Flows Three and Nine Months Ended September 30, 2015		
	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Cash Flows from Operating Activities		
Net Investment Income (Loss)	\$ 137,626	\$ (49,679)
Adjustments to reconcile net investment Income (Loss) to net cash used in operating activities:		
(Increase) Decrease in Assets:		
Prepaid Insurance	7,758	(10,344)
Deposits on real estate investments	-	2,905,499
Advances	-	(4,297)
Investment in real estate companies	-	(8,257,096)
Other Investments	(554,907)	(7,931,888)
Decrease in Liabilities:		
Advances	(17,767)	(39,850)
Accounts Payable and Accrued Expenses	(13,394)	(34,500)
Net Cash Used in Operating Activities	(440,684)	(13,422,155)
Cash Flows from Financing Activities		
Contributions from Partners	694,829	10,132,954
Distributions to Partners	(1,457,897)	(1,457,897)
Offering costs	(37,691)	(151,093)
Net Cash Provided by (Used in) Financing Activities	(800,759)	8,523,964
Net Decrease in Cash	(1,241,443)	(4,898,191)
Cash - Beginning	4,504,912	8,161,660
Cash - Ending	\$ 3,263,469	\$ 3,263,469



ARDEN | OPPORTUNITY FUND II

3Q 2015
Financial Supplement

Statement of Assets, Liabilities and Net Assets as of September 30, 2015

Assets	
Investment in real estate company:	
AOF II Holding ICT, LLC	\$ 1,147,341
Other Investments:	
Mezzanine Loan - A7PP Holding HSV, LLC	1,145,036
Cash	901,402
Prepaid Insurance	1,437
Advances	50
Total Assets	\$ 3,195,266
Liabilities and Net Assets	
Liabilities	
Accounts Payable and Accrued Expenses	17,595
Net Assets	3,177,671
Total Liabilities and Net Assets	\$ 3,195,266

Statements of Operations

Three and Nine Months Ended September 30, 2015

	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Investment Income		
Interest	\$ 45,950	\$ 88,523
Dividends	63,215	158,852
Total Investment Income	109,165	247,375
Expenses		
General and Administrative Costs	20,160	51,674
Management Fees	123,024	261,240
Professional Fees	1,412	4,778
Total Expenses	144,596	317,692
Net Investment Loss	\$ (35,431)	\$ (70,317)

Statement of Change in Net Assets Nine Months Ended September 30, 2015			
	General Partner	Limited Partners	Total
Net Assets, January 1, 2015	\$ 13,914	\$ 1,386,447	\$ 1,400,361
Capital Contributions	139,684	1,970,305	2,109,989
Capital Distributions	(6,125)	(198,041)	(204,166)
Offering Costs	(1,746)	(56,450)	(58,196)
Net Investment Loss	(2,110)	(68,207)	(70,317)
Net Assets, September 30, 2015	\$ 143,617	\$ 3,034,054	\$ 3,177,671

Statement of Cash Flows Three and Nine Months Ended September 30, 2015		
	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Cash Flows from Operating Activities		
Net Investment Loss	\$ (35,431)	\$ (70,317)
Adjustments to reconcile net investment loss to net cash used in operating activities:		
(Increase) Decrease in Assets:		
Prepaid Insurance	1,077	(1,437)
Deposit on real estate investments	-	4,023
Advances	-	(50)
Investment in real estate companies	-	(1,147,341)
Other Investments	(80,106)	(1,145,036)
Decrease in Liabilities:		
Advances	(2,508)	-
Accounts Payable and Accrued Expenses	(5,890)	(7,668)
Net Cash Used in Operating Activities	(122,858)	(2,367,826)
Cash Flows from Financing Activities		
Contributions from Partners	295,200	2,109,989
Distributions to Partners	(204,166)	(204,166)
Offering costs	(17,351)	(58,196)
Net Cash Provided by Financing Activities	73,683	1,847,627
Net Decrease in Cash	(49,175)	(520,199)
Cash - Beginning	950,577	1,421,601
Cash - Ending	\$ 901,402	\$ 901,402

CRAIG A. SPENCER

Founder, President & CEO, Arden Group
Principal of the General Partner
Arden Real Estate Partners I, L.P.
Arden Real Estate Partners II, L.P.
Arden Opportunity Fund II, L.P.



Craig A. Spencer is the President and CEO of Arden Group, established in 1989, as a fully integrated real estate company focusing on acquiring, developing, and managing high quality real estate assets throughout the U.S. The company has purchased and developed more than \$3 Billion of real estate and Arden's asset management group has managed more than \$5 Billion in assets.

Craig is a principal of the general partner of Arden Real Estate Partners I & II LP's.

In addition to leading Arden, Craig has participated in several non-real estate ventures including the acquisition and subsequent sale of Admiralty Bank to Royal Bank of Canada in February 2003. He is also a founding board member of Anchor Commercial Bank based in Palm Beach, Florida.

Craig was Founder/Co-Owner with Jon Bon Jovi of the Philadelphia Soul Arena Football Team. In its five-year history, Craig helped build it into the most successful team in the league and the 2008 World Champions. Craig and Jon also established and are the Co-Chairmen of the JBJ Soul Foundation, which has provided over 500 housing units along with educational programs to homeless men and women and opened its first Soul Kitchen in Red Bank, NJ in 2011, which has now served over 46,000 meals. The second Soul Kitchen opens in Tom River, NJ in early 2016.

Craig is a licensed attorney who specialized in real estate, banking, and bankruptcy law.

Arden Group Bio

Arden Group, founded by Craig A. Spencer in 1989, has a successful legacy of value-add investments that spans 27 years. Arden's principal office is located in Philadelphia, PA, with satellite offices in Miami, FL, Tampa, FL, and Dallas, TX. Arden's investment management business began in 1990 as an asset manager for the FDIC/RTC where Arden managed and restructured \$5 Billion of real estate and debt. During this time, Arden built its foundation of operational and structuring expertise, and developed its network of proprietary relationships in the real estate and banking industries.

Arden is now a vertically integrated real estate operating platform with tenured executives who are experienced in acquisitions, development, repositioning, restructuring, property, and asset management, operations, and engineering. Arden has vertical platforms in the office, hotel, and high-rise residential real estate sectors.

Arden's real estate philosophy is simple – **Buy It, Fix It, Sell It**. Arden acquires core assets in core locations under non-core circumstances at discount pricing to relative replacement cost. Then, Arden repositions the property and capital structure, and then looks to sell the asset with a focus on maximizing returns for its investors. The combination of Arden's experience, operating platform, and disciplined strategy has allowed Arden to consistently deliver risk adjusted returns above its competitors.

Merritt Hospitality, LLC

an affiliate of

HEI Hotels & Resorts (HEI)

November 2015

Executive Summary

HEI Competitive Advantages

Merritt Hospitality, LLC is an affiliate of HEI Hotels & Resorts

- **Recognized, Industry-Leading Operator of Upper Upscale, Full- and Premium Select-Service Hotels**
 - > Originally founded in 1985, HEI's operating platform was specifically created to maximize value in this niche
- **Veteran Experienced Team**
 - > HEI Senior Executive Team with combined 100+ years of industry experience
 - > HEI Senior Operations Management Team with combined 100+ years of industry experience
 - > HEI Senior Design & Construction Team with combined 60+ years of industry experience
 - > Over 200 upper upscale/full-service hotel acquisitions and ground-up developments completed
 - > Extensive brand relationships and experience to drive results across all major brand families
- **Established Owner/Operator/Project Management Platform that is Necessary for Proven Success**
 - > Complete alignment of interests through profit sharing with senior operating executives
 - > In-depth understanding of "Ownership" objectives based upon seasoned HEI owner/operator platform
 - > Synergistic information sharing/resources with largest private team in the industry
 - > Underwriting benefit as an "owner" on both buy side, development, and capital expenditures to ensure appropriate risk adjusted return on investment
 - > Attraction and retention of best in class talent with strength of portfolio, platform and veteran team
- **Best in Class Proven Results in Revenue and Expense Management (Proprietary Tools)**
 - > Volume Account Workbook, Rubicon/Fubicon, Hotelligence, Target Group, Daily Business Review Checklist, HDA Tool, MAR Tool, Brand Global Sales Relationships
 - > Major client relationships from strength and leverage of existing portfolio
 - > Zero-based budgeting utilizing best practices and comparable hotel benchmarking
 - > Labor Looking Glass (staffing productivity), Energy Looking Glass (energy savings), SWIM safety program, Benefits program

HEI Overview

Existing Portfolio

Current HEI Portfolio 51 Hotels / 15,032 Keys

Third Party Management (37 Hotels)

Property	Ownership	Keys
Riviera Palm Springs (Tribute)	Apollo Real Estate	398
Doubletree Plymouth Meeting	Arden Group	253
Hilton Santa Cruz	Arden Group	174
InterContinental Tampa Westshore	Arden Group	323
Hyatt Place Boston/Braintree	BayNorth Capital	204
Westin Minneapolis	Carey Watermark	214
Westin Pasadena	Carey Watermark	350
Marriott Boca Raton	Carey Watermark	256
Sheraton Austin	Carey Watermark/JMI	365
Le Meridien San Francisco	Chesapeake Lodging Trust	360
The Royal Palm South Beach Miami (Tribute)	Chesapeake Lodging Trust	393
Autograph Minneapolis	Chesapeake Lodging Trust	222
Hyatt Santa Barbara	Chesapeake Lodging Trust	200
Hilton Garden Inn NYC Chelsea	DiamondRock Hospitality Co	169
Westin Washington, DC City Center	DiamondRock Hospitality Co	406
Westin Ft Lauderdale Beach Resort	DiamondRock Hospitality Co	432
Sheraton Music City	Ecclestone Hospitality	410
Sheraton Parsippany	Host Hotels & Resorts	370
Westin Indianapolis	Host Hotels & Resorts	575
Embassy Suites Philadelphia Center City	LaSalle Hotel Properties	288
Luxury Collection The Liberty Hotel Boston	LaSalle Hotel Properties	298
Westin Philadelphia	LaSalle Hotel Properties	294
Autograph Hotel Chicago	LaSalle Hotel Properties	353
aloft Houston Galleria	Melville Industrial Associates	152
Le Meridien Dallas by the Galleria	NB Hospitality	258
Embassy Suites San Diego	Pebblebrook Hotel Trust	341
Westin Crystal City	Prudential/HEI JV	220
Embassy Suites Boston/Waltham	RLJ Lodging Trust	275
Renaissance San Diego	Rockpoint Group	258
Hilton Glendale	Rockwood Capital	351
Westin Snowmass	Starwood Capital Group	254
Wildwood Snowmass (Holiday Inn Express)	Starwood Capital Group	151
Crowne Plaza Astor New Orleans	Starwood Capital Group	693
Hilton New Orleans St Charles	Sunstone Hotel Investors	250
Le Meridien Philadelphia	Walton Street Capital	202
Renaissance Las Vegas	Wheelock	548
Seattle Marriott Bellevue	WPM	384

Total Managed Key Count: 11,644

Own & Manage (14 Hotels)

Property	Ownership	Keys
Embassy Suites Orlando Downtown	HEI Fund I	167
W Hollywood	HEI Fund I/II	305
DFW Marriott Hotel & Golf Club	HEI Fund II	286
Luxury Collection The Equinox Resort	HEI Fund II	195
Le Meridien Boston Cambridge	HEI Fund II	210
Westin St. Louis	HEI Fund II	255
Embassy Suites Tysons Corner	HEI Fund II	234
Marriott La Jolla	HEI Fund III	372
Residence Inn Clearwater	HEI Fund III	115
SpringHill Suites Newark Airport	HEI Fund III	200
Le Meridien Arlington	HEI Fund III	154
Le Meridien Dallas, The Stoneleigh	HEI Fund III	170
Sheraton Dallas by the Galleria	HEI Fund III	309
Sheraton Pentagon City	HEI Fund III	416

Total Owned & Managed Key Count: 3,388

F&B Operation Management (2 F&B Operations)

Property	Ownership	Keys
W Hollywood (F&B Operation)	HEI Fund I/II	305
W Chicago Lakeshore (F&B Operation)	Chesapeake Lodging Trust	520

Our Approach

Specialists with a Focus on Institutional Cost & Revenue Management

- Management company specifically built to maximize value in a clearly-defined bandwidth of hotels:
 - > Upper-Upscale/Luxury hotels in Urban or Super-Suburban locations within the top 25 MSAs, primarily franchised under Starwood/Marriott/Hilton/Hyatt
 - > Premium Select-Service hotels in Urban or Super-Suburban locations within the top 25 MSAs, primarily franchised under Starwood/Marriott/Hilton
- Institutional-grade platform built to analyze, underwrite and manage expenses with demonstrated precision
 - > Operating expense structure is engineered to the scale of these hotels
- Proven ability to implement material cost savings with no risk based on platform's well-established execution history, balanced with realistic revenue growth assumptions
- Proformas reflect what can be achieved with a high degree of certainty and are followed through disposition
- Identify only those transactions where our platform is best aligned to capitalize and maximize performance

Proven Results

Expense Management Core Strategies

- Flatten management organization
- Roll out established productivity and expense metrics based on HEI comp hotels
- Rigorous and continuous analysis of actual labor and expense performance against established metrics
- Continued improvement through sharing of portfolio-wide best practices
- Proven track record in minimizing unnecessary sales expenses
- Balance between associate/guest satisfaction scores and maximizing cost efficiencies

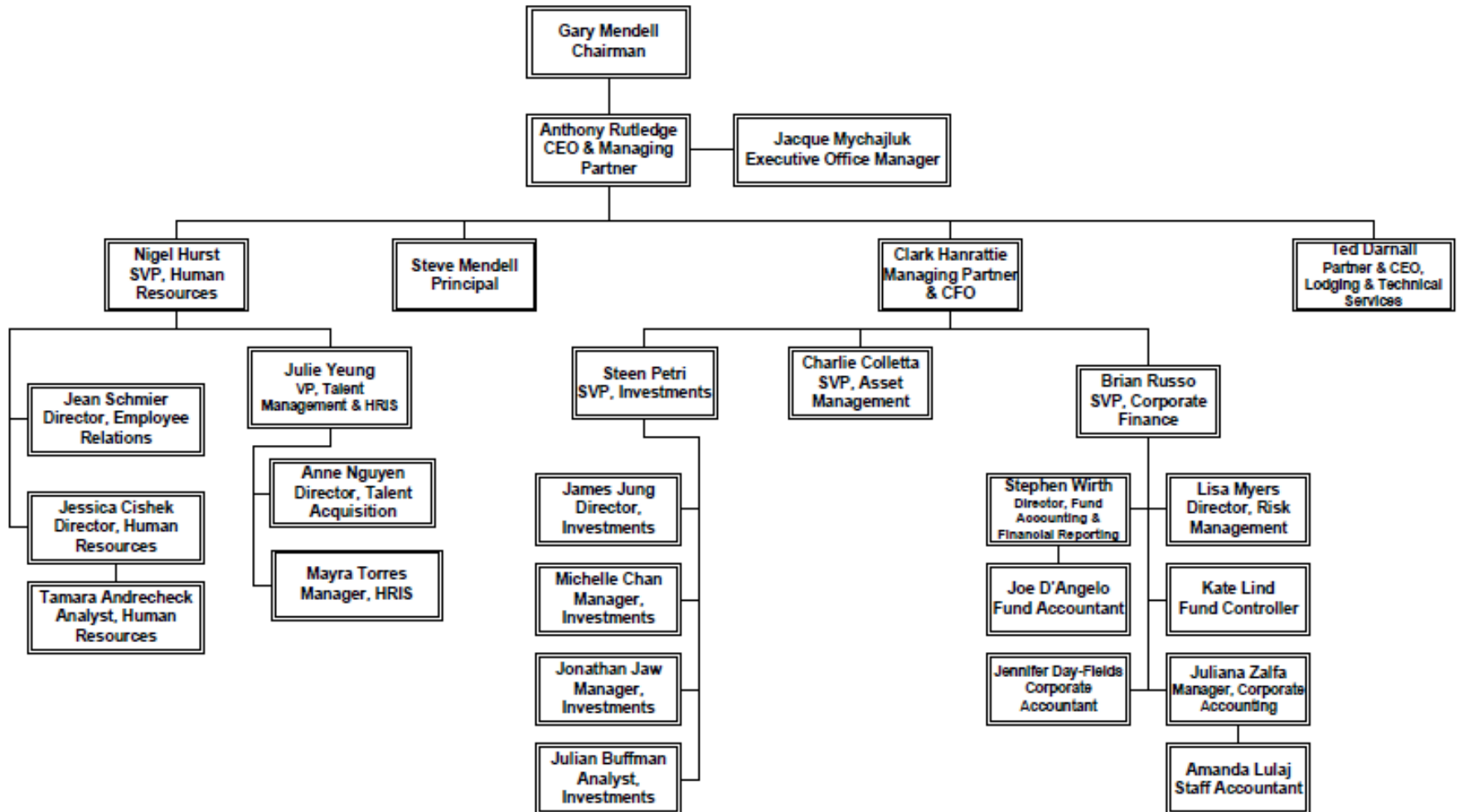
Proven Results

Market Share: Core Strategies

- Reorganize sales department to specifically target identified accounts via HEI's market intelligence process
- Manage sales and marketing resources through a very disciplined and organized process
- Establish sales strategies to reduce reliance on discount channels over time
- Ensure multiple room types to yield corporate account rates during compression periods
- Capitalize on HEI best practices across portfolio

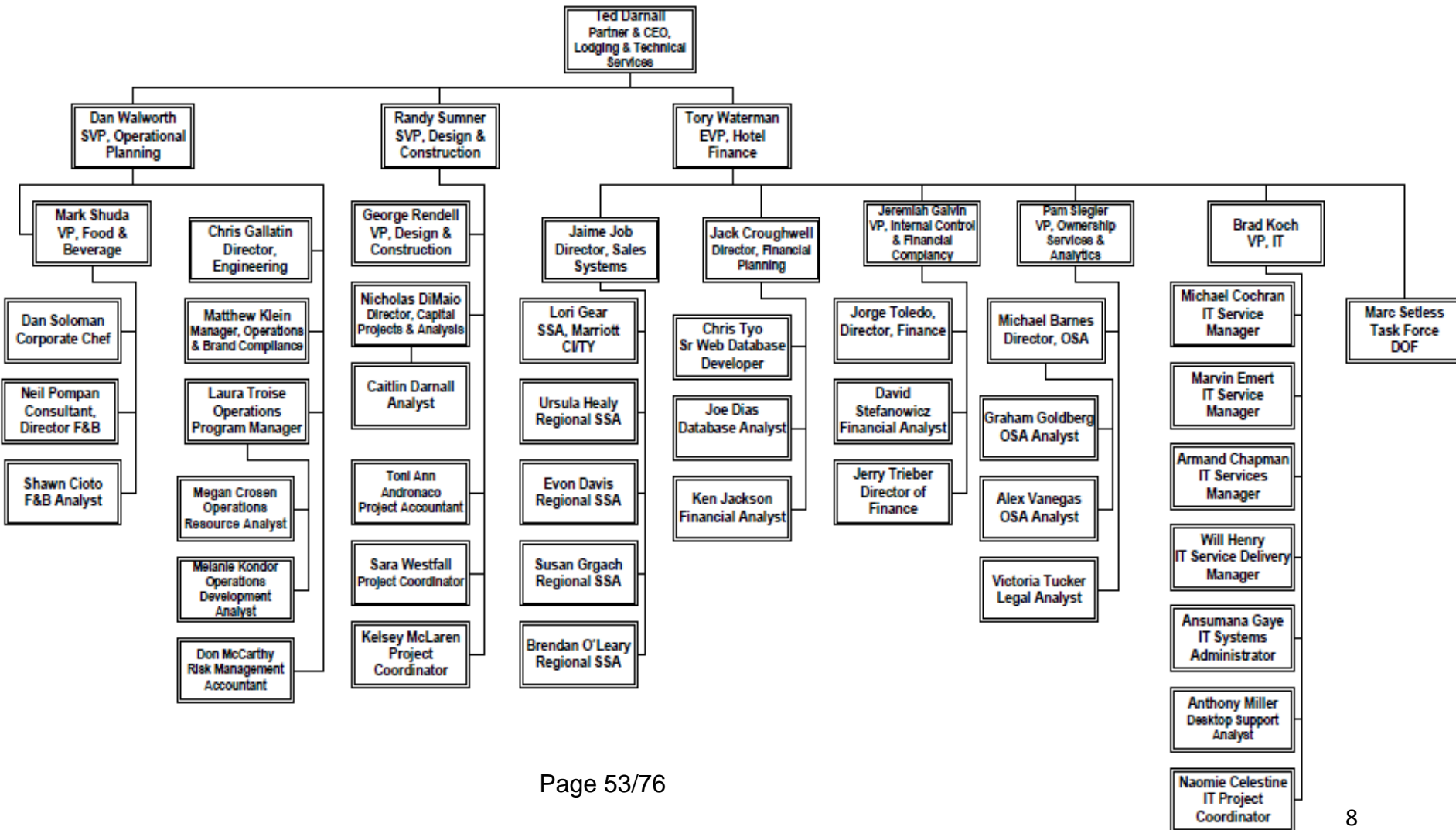
Organizational Charts

Corporate Management Team



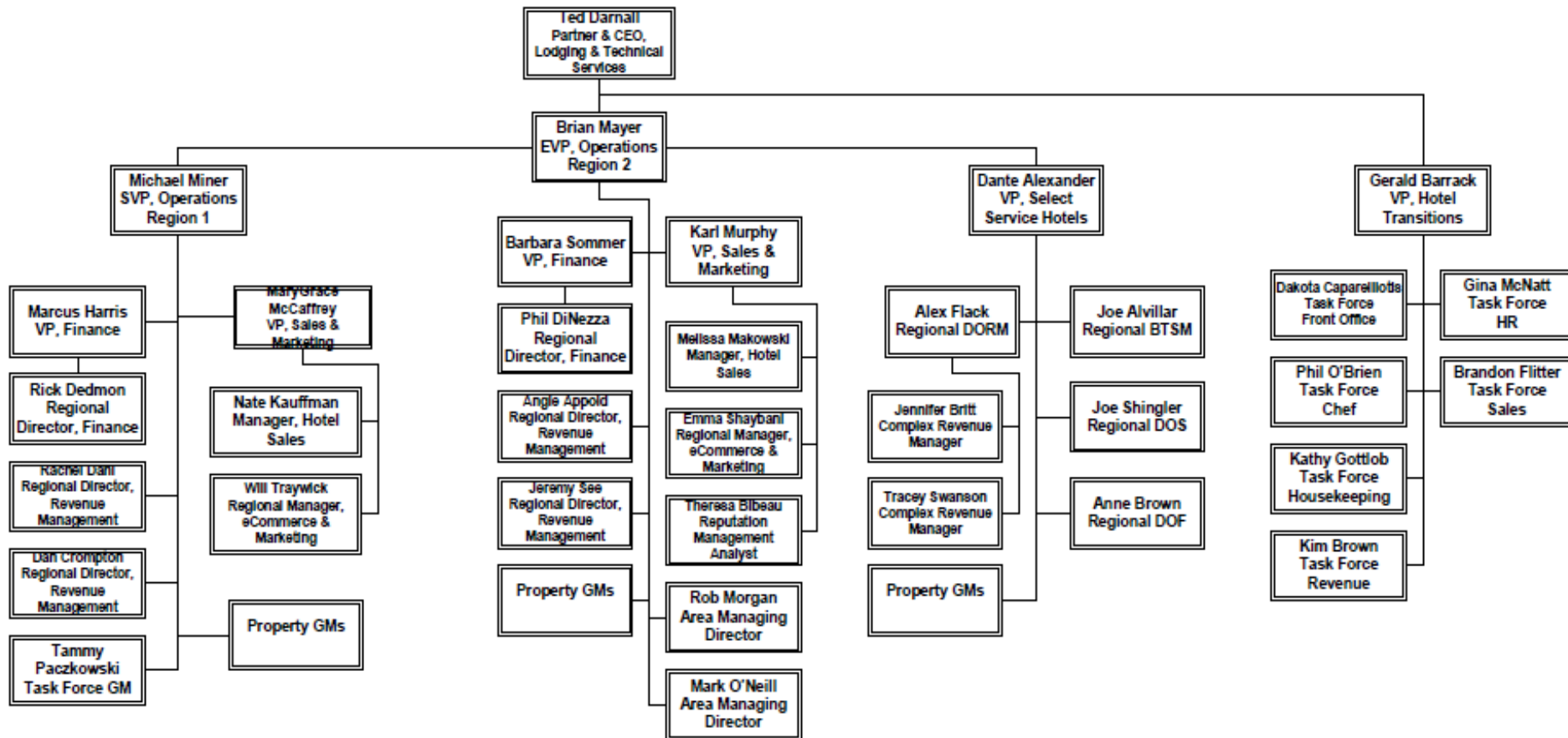
Organizational Charts

Corporate Operations Team



Organizational Charts

Corporate Regional Operations Team



Management Bios



Ted Darnall, Partner and CEO, Lodging and Technical Services

Responsible for guidance and growth of HEI's property operations, acquisitions, asset management, and design and construction divisions.

Professional Experience

A 30-year veteran of the hospitality industry and widely recognized as one of the top hotel operators in the industry, Ted has held executive positions with Starwood, Interstate and Marriott. Ted's industry recognition is garnered from his innovative initiatives, performance-driven results-oriented focus and motivational leadership. Prior to joining HEI, Ted was with Starwood for 10 years where he held various executive positions which included Chief Operating Officer of Starwood Lodging Corporation, President of North America Operations, and most recently, President of Starwood Real Estate Group. Prior to Starwood, Ted was with Interstate Hotels for over 14 years, reaching the position of Senior Vice President, Operations. Darnall began his hospitality career with Marriott Corporation, where he held a number of management positions.

Management Bios



Brian Mayer, Executive Vice President, Operations

Responsible for creating a management culture that is equally committed to the overall quality of the guest experience, the associate environment and the financial results.

Career Background

Vice President, Operations Innovation & Support, Starwood Hotels & Resorts
Senior Director, Six Sigma, Starwood Hotels & Resorts
Director of Operations, '21' Club

Education and Affiliations

MBA, Columbia Business School
BS, Cornell University, School of Hotel Administration

Management Bios



Michael Miner, Senior Vice President of Operations

Responsible for creating a management culture, that is equally committed to the overall quality of the guest experience, the associate environment and the financial results.

Career background

Managing Director, Westin Bonaventure Hotel and Suites

Area General Manager, the KOR Hotel Group In Los Angeles

Area Managing Director, Chicago Metro: responsible for ten Starwood Metropolitan Hotels

Area Managing Director, Sheraton New Orleans: responsible for nine Starwood area hotels

Ten years as a General Manager, Interstate Hotels, Memphis, Minneapolis, and Dana Point

Affiliations

Member, Board of Director, Convention and Tourism Bureaus Los Angeles, Chicago, and New Orleans.

Member and Officer, Board of Directors, Hotel Lodging Association in same cities

2002 Illinois Hotel & Lodging Association Awards: Hotelier of the Year and Chicago

Downtown Hotelier of the Year

Starwood Hotels and Resorts: 1999 Hotel of the Year, Sheraton New Orleans

Management Bios



Nigel Hurst, Senior Vice President, Human Resources

Responsible for all human resource activities for HEI's growing workforce of approximately 5,000 people, including recruitment, talent development, leadership development, employee relations, performance management, compensation and benefits.

Professional Experience

Hurst came to HEI from Unilever, North America, where he was senior vice president, human resources and a member of the company's five-person overall management committee. He played a key role in the integration of Lever Brothers, Chesebrough Ponds and Helene Curtis into a single business unit with a common mission and shared values. Formerly, Nigel was senior vice president of Unilever, East Asia Pacific, where he oversaw human resource activities for the company's fastest growing region, with more than \$2 billion annual revenues. During his tenure, Hurst helped the business achieve a 90 percent internal succession rate and voluntary turnover rate of less than 7 percent. Earlier, as head of personnel for Unilever Plantations, he integrated the acquisitions of five companies with more than 70,000 employees.

Education, Affiliations, Distinctions

BA, Business Studies, Coventry University, UK

Management Bios



Tory Waterman, Executive Vice President of Hotel Finance

Responsible for property level accounting services for HEI. Providing support and direction to each individual property in the key areas of; financial controls, financial reporting & analysis, internal audit, and payroll.

Career Background

Former Managing Partner and Founder of Stormont Waterman Partners, LLC an Atlanta based financial consulting firm, offering comprehensive financial services for the hospitality industry.

Held the senior corporate level accounting leadership positions at Boykin Management Company, Crestline Hotels and Resorts, and Stormont Trice Corporation. He has held various field accounting positions with Holiday Inn Corporation, Hilton Hotel Corporation, Mariner Hotel Corporation and Interstate Hotels.

Over 22 years of experience in the resort, hotel and travel industries.

Tory recently held the position of Senior Vice President and Controller for 37 managed properties of Crestline Hotels and Resorts in McLean, Virginia. He has held various accounting positions with Holiday Inn Corporation, Hilton Hotel Corporation, Mariner Hotel Corporation and Interstate Hotels.

Education and Affiliations

BS, State University of New York – Plattsburg

Management Bios



Mary Grace McCaffrey, Vice President, Sales and Marketing

Responsible for direct sales results of assigned hotels and liaison for corporate sales support services including, Delphi, CI/TY, HEI tools and reports, goals and incentive plans. Provides third party asset management and relations focus in the Sales discipline.

Career Background

20 years of Sales, Catering, and Revenue leadership in a multitude of markets and hotels including Tampa/St. Pete, Colorado Springs, Phoenix, Chicago, Boston, New York, and Ft Lauderdale.

Most recent positions held prior to six year tenure with HEI:

- Director of Sales and Marketing, Marriott Harbor Beach Resort and Spa
- Director of Sales and Marketing, Sheraton Boston Hotel and Towers
- Area Director of Sales and Marketing, Starwood Hotels and Resorts

Education and Affiliations

BS, University of Massachusetts Amherst

Board of Directors, Samantha's Harvest for Down syndrome

Volunteer, Opportunity Works - Empowering people with disabilities

Member, The Arc – Promoting the rights of people with intellectual disabilities

Management Bios



JoAnn Kastner, Vice President of Sales & Marketing

Responsible for Sales & Marketing transition process related to management acquisitions and conversions. Transition process includes strategic positioning, deployment of team and resources, HEI tool and culture immersion training, and Brand resource implementation. Provide virtual sales resource and oversight to assigned hotels.

Career background

- VP Sales Process Development, North America; Starwood Hotels & Resorts. Strategic Sales Plan, Goal Setting, SIP, Optimal Business Mix Planning, Training for owned-managed group 220 hotels.
- Regional Director Sales & Marketing. Starwood Hotels & Resorts. Responsible for transition and conversion execution. Also provide oversight for multiple regions during 7 year tenure. General Manager, Sheraton Denver Tech Center.
- Director Sales & Marketing; Interstate Hotels, Colorado Springs Marriott. Provided oversight for hotel pre-opening team and opening team into operation, 7 years.
- Senior Sales Manager, The Broadmoor. Oversight for outside sales effort to open marketplaces in Denver, Atlanta and N. California, 3 years
- Director of Sales & Marketing, Cheyenne Mountain Conference Resort. Provided oversight for hotel pre-opening effort and opening team, 3 years
- Director of Sales United Inns; Holiday Inns Colorado Springs, 7 years

Affiliations

- JKE; JK Enterprises LLC, President & Principal
- Founder and President Colorado Springs Meeting Planners Association
- President Colorado Springs Convention Liaison Committee
- Colorado Springs Convention and Visitors Bureau; Convention Committee Board Member
- Director of Sales and Marketing of the Year; Marriott International; Franchise
- Sales team of the year Interstate Hotels
- American Cancer Society
- Susan G Komen

Management Bios



Mark Shuda, Vice President, Food and Beverage | Procurement

Responsible for developing the strategic and tactical direction relating to all restaurants, bars, room service, banquet and procurement functions at all HEI Hotels and Resorts.

Career Background

Senior Corporate Director, Food and Beverage, Wyndham Worldwide

Corporate Food and Beverage Director, Starwood Hotels and Resorts

Vice President, Food and Beverage, Doral Hotels and Resorts

Senior Hotel Leadership Positions at Starwood Hotels, Benchmark Hospitality, Interstate Hotels and Hyatt Hotels and Resorts

Education and Affiliations

BS, Cornell University, School of Hotel Administration

Management Bios



Randy Sumner, Senior Vice President, Design & Construction

Responsible for overseeing renovations and capital projects; providing support for the development team in the acquisition process

Career Background

VP of Design and Construction, Interstate Hotels and Resorts

VP of Design and Construction, Southwest Inns

Project Manager Mariner Hotels

Director Franchise development Holiday Inns

Education and Affiliations

AE Architecture, State Tech Institute at Memphis

BS Construction Management, Memphis State University

Management Bios



Brad Koch, Vice President, Technology

Responsible for the planning, budgeting, delivery and support of the technology services used by the functional disciplines allowing them to provide services to owners, managers, associates, and guests.

Career Background

Over 18 years of planning, implementing and supporting technology in a variety of business segments throughout the world.

Education and Affiliations

MBA, University of Connecticut School of Business

BS Business Administration – MIS, University of Wisconsin – La Crosse

BS Public Administration, University of Wisconsin – La Crosse

Management Bios



Dante Alexander, Vice President, Select Service Hotels

Responsible for overseeing the company's Select Service hotels at the corporate and property levels.

Career Background

Dante brings 30 years of experience in select service hotel operations with Starwood, Westmont Hospitality and Texas Western Hospitality. In these roles he oversaw multiple "Branded" select service assets in both urban & suburban locations throughout the US, where he implemented programs to reverse eroding revenues, stabilize customer service, and motivate management teams to superior levels. Dante began his hospitality career in the early 80's with Interstate Hotels & Resorts and Marriott in various Department head positions where he gained firsthand experience in key operational areas and quality assurance systems.

Education and Affiliations

Executive Leadership Program, Cornell University
BS Marine Science, FIT

Contact Information

- For more information, please contact:

Steen Petri

Senior Vice President, Investments

Office: (203) 849-2242

E-mail: Spetri@heihotels.com

- or visit us at: www.heihotels.com

EXHIBIT B

Attached please find the following:

1. Form of Estoppel Certificate and Agreement requested from the University Board

0020600-168916-2483450v1

ESTOPPEL CERTIFICATE AND AGREEMENT
University of Florida Board of Trustees

February __, 2016

IA Lodging Gainesville, L.L.C.
200 South Orange Avenue, Suite 1200
Orlando, FL 32801
Attn: Philip Wade

AREP II GH Hotel LLC
1635 Market Street, 17th Floor
Philadelphia, PA 19103
Attn: Craig A. Spencer

PCCP CREDIT VI REIT SUB-HOLDCO, LLC
c/o PCCP, LLC
Attention: Servicing
10100 Santa Monica Boulevard, Suite 1000
Los Angeles, CA 90067

Re: Sale of University of Florida Hotel & Conference Center (the "Hotel") by IA Lodging Gainesville, L.L.C., a Delaware limited liability company (the "Seller") to AREP II GH Hotel LLC, a Delaware limited liability company (together with its successors and assigns, the "Purchaser")

Ladies and Gentlemen:

The University of Florida Board of Trustees (successor in interest to the Board of Regents of the State of Florida and hereinafter referred to as the "**University Board**") understands that Seller intends to sell and convey the Hotel to Purchaser, which will involve the conveyance, grant, assignment and transfer of all of Seller's right, title and interest in and to the following: (i) the subleasehold estate ("**Hotel Leasehold**") created in the Land (as hereinafter defined) under Amended and Restated Sublease Agreement ("**Sublease**") by and between the Board of Regents of the State of Florida ("**Board of Regents**"), as predecessor-in-interest to the University Board and on behalf of the University of Florida, as Landlord, and Florida Conference Center Associates, Inc., a Florida corporation, as Tenant, dated October 22, 1998, as evidenced of record by Memorandum of Lease dated February 24, 1999, and recorded in Official Records Book 2219, at Page 2546 of the Public Records of Alachua County, Florida, which Hotel Leasehold and all of the tenant's interest under the Sublease was assigned to Massachusetts Mutual Life Insurance Company, a Massachusetts corporation, pursuant to that certain Assignment of Sublease Agreement from Florida Conference Center Associates, Inc. to Massachusetts Mutual Life Insurance Company, as evidenced of record by Memorandum of Assignment of Lease dated April 25, 2000 and recorded in Official Records Book 2287, at Page

9 of the Public Records of Alachua County, Florida, which Hotel Leasehold and all of the tenant's interest under the Sublease were further assigned to Seller (or Seller's predecessor-in-interest) pursuant to that certain Assignment of Sublease dated September 13, 2007 and recorded in Official Records Book 3678, Page 293, Public Records of Alachua County, Florida; and (ii) all of the land, easements and appurtenances, buildings and all other permanent improvements, fixtures, furniture and other tangible personal property and name rights and other intangible personal property and all transferable licenses, warranties and guarantees relating thereto or issued in connection therewith, all of which are owned by Seller and used in the operation of the Hotel located on approximately 11.2 acres +/- of land in the City of Gainesville, County of Alachua, State of Florida, which land is more specifically described in **Exhibit A** attached hereto and made a part hereof as if fully set forth (as described, the "**Land**") which conveyance, grant, assignment and transfer is hereinafter referred to as the "**Sale**". The University Board, as successor in interest to the Board of Regents by operation of law, is currently the Landlord under the Sublease, and the lease of the Land pursuant to the Sublease is a sublease of a portion of the property leased by The Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (hereinafter referred to as "**BTIITF**,"), as Lessor, to the Board of Regents, as Lessee, pursuant to Lease Agreement dated February 18, 1974, under lease number 2734, as evidenced of record by Memorandum of Lease dated February 24, 1999, and recorded in Official Records Book 2219, at Page 2552 of the Public Records of Alachua County, Florida, and as modified by Lease Modification Agreement ("**Lease Modification Agreement**") dated as of October 5, 2006 by and between the BTIITF, and the University Board, as successor in interest to the Board of Regents, which is evidenced of record by that certain Memorandum of Lease Modification Agreement dated September 10, 2007 and recorded September 17, 2007 in Official Records Book 3678, Page 268, Public Records of Alachua County, Florida (the Lease Agreement, as modified by the Lease Modification Agreement, shall hereinafter be referred to as the "**Prime Lease**").

In connection with the Sale, the Prime Lease and the Sublease, the University Board (as to each of the Prime Lease and the Sublease) does hereby certify and agree, as of the date hereof and with no continuing duty to update this Estoppel Certificate and Agreement, to and for the benefit of Seller, Purchaser, Merritt Hospitality LLC and any permitted replacement or assignee thereof or successor thereto (each, a "**Manager**"), Hilton Inns, Inc. and any replacement or assignee thereof or successor thereto (each, a "**Franchisor**"), and PCCP Credit VI REIT Sub-Holdco, LLC for itself and on behalf of one or more other lenders and its and their successors in interest, assigns and participants (each, a "**Lender**"), as follows:

CERTIFICATIONS AS TO PRIME LEASE

(a) The Prime Lease is in full force and effect; there are no amendments, supplements or modifications of any kind to the Prime Lease except for the Lease Modification Agreement and modifications which do not apply to or affect the Sublease or the Land; the Prime Lease constitutes the entire agreement between BTIITF and the University Board and there are no other promises, agreements, understandings, or commitments between BTIITF and the University Board relating to or concerning the Land and/or the Prime Lease; there are no unrecorded transfers or assignments of the Prime Lease relating to or concerning the University Board's interest or BTIITF's interest in the Land; the University Board has not given BTIITF

any notice of the termination of the Prime Lease; BTIITF has not given the University Board any notice of the termination of the Prime Lease.

(b) No uncured default, event of default, or breach by either the University Board or BTIITF exists under the Prime Lease, nor do facts or circumstances exist that, with the passage of time, will or could constitute a default, event of default, or breach under the Prime Lease. BTIITF has made no claim against the University Board alleging its default under the Prime Lease, nor has the University Board made any claim against BTIITF alleging its default under the Prime Lease. In the event that a default under the Prime Lease may have in the past occurred by either of the University Board or any predecessor-in-interest to the University Board under the Prime Lease or may hereafter occur by either of the University Board, or any successor-in-interest to the University Board under the Prime Lease, BTIITF shall not be entitled to disturb the occupation of the Land by Purchaser and/or its successors and assigns, including any assignee or owner of the Hotel Leasehold or any sublessee under the Sublease, including any Lender acquiring the Hotel Leasehold by foreclosure or otherwise, so long as there is no default under the Sublease by the sublessee thereunder which is continuing beyond any applicable notice or cure periods. Without limiting the foregoing, in the event of a default under the Prime Lease that relates to a part of the property demised thereunder other than the Land, BTIITF shall not be entitled to terminate the Prime Lease with respect to the Land, to terminate the Sublease, or to disturb the occupation of the Land by Purchaser and/or its successors and assigns, including any assignee or owner of the Hotel Leasehold or any sublessee under the Sublease, including any lender acquiring the Hotel Leasehold.

(c) The University Board is obligated to pay rent to BTIITF at the rate set forth in the Prime Lease, which requires no annual rent payments to be made. The University Board is current with respect to, and is paying, the full rent and all other charges stipulated in the Prime Lease with no offsets, deductions, defenses or claims.

(d) The University Board acknowledges that the University Board has no option or right to purchase the Land or any part thereof or to terminate the Prime Lease.

(e) The initial term of the Prime Lease, commenced on February 18, 1974, and continues through 12:00 a.m. prevailing local time for Gainesville, Florida on February 18, 2073, unless sooner terminated in accordance with the terms of the Prime Lease.

(f) BTIITF approved the Sublease as a permitted sublease under the terms of the Prime Lease.

(g) There is no litigation pending or, to the University Board's knowledge, threatened between BTIITF and the University Board with respect to the Land or the Prime Lease; there are no outstanding claims by BTIITF for reimbursement or indemnification from the University Board which are required to be paid pursuant to the Prime Lease; there are no outstanding claims by the University Board for reimbursement or indemnification from BTIITF which are required to be paid pursuant to the Prime Lease.

(h) The University Board represents that the University Board is the owner of the leasehold estate under the Prime Lease, as successor in interest to the Board of Regents, with full power and authority to deal with such leasehold interest.

(i) The University Board agrees to simultaneously provide copies of all notices relating to or concerning the Land given to or received from BTITF or its successor-in-interest under the Prime Lease to Purchaser and Lender at such addresses as may be provided in writing to the University Board from time to time.

(j) For so long as the Sublease remains in full force and effect, in the event the University Board mortgages, or creates any lien or other encumbrance on, its leasehold interest in the Prime Lease (each a "**Lien**"), the University Board acknowledges that any such Lien shall be subordinate to the Purchaser's interest in the Hotel Leasehold, and agrees to execute any commercially reasonable documentation necessary to confirm the subordinate status of any such Lien.

(k) The University Board acknowledges and agrees that Seller, Purchaser, any Lender, any Manager and any Franchisor shall be entitled to rely on its certifications set forth herein.

CERTIFICATIONS AND AGREEMENTS AS TO SUBLEASE

(a) The Sublease is in full force and effect; there are no assignments, amendments or modifications of any kind to the Sublease except as noted above; the Sublease constitutes the entire agreement between the University Board and Seller and there are no other promises, agreements, understandings, or commitments between the University Board and Seller relating to or concerning the Land and/or the Sublease; and the University Board has not received and, to the actual knowledge of the person executing this Estoppel Certificate and Agreement on behalf of the University Board and without investigation, is not aware that any predecessor of the University Board under the Sublease has received any notice of termination thereunder from Seller; the University Board has not delivered to Seller (or any predecessor in interest of Seller as tenant under the Sublease) any notice of the termination of the Sublease.

(b) The University Board is the "Landlord" under the Sublease as successor-in-interest to the Board of Regents of the State of Florida by operation of law.

(c) No uncured default, event of default, or breach by either the University Board or Seller exists under the Sublease, nor do facts or circumstances exist that, with the passage of time, will or could constitute a default, event of default, or breach under the Sublease. The University Board has made no claim against Seller alleging Seller's default under the Sublease. In the event that a default may have in the past occurred by Seller, the University Board shall not be entitled to terminate the Sublease or disturb the occupation of the Land by Purchaser, any Lender, including any party having an interest in the Hotel Leasehold (including any subtenant thereof) and its successors and assigns, on account of such past default.

(d) The University Board has not performed any work to the Land in connection with the Sublease.

(e) There is no litigation pending or, to the University Board's knowledge, threatened between Seller and the University Board with respect to the Hotel Leasehold, the Land or the Sublease; there are no outstanding claims by Seller for reimbursement or indemnification from the University Board which are required to be paid pursuant to the Sublease; there are no outstanding claims by the University Board for reimbursement or indemnification from Seller which are required to be paid pursuant to the Sublease.

(f) No notice has been received by the University Board from any state, county or local government, agency, or other such entity, nor is the University Board aware of any such notice issued thereby to any other person or entity, which indicates that the existence and location of the Hotel is not otherwise, within full compliance of all applicable zoning and land use laws, codes, ordinances and regulations. Further, the University Board hereby certifies that (i) with respect to the Hotel, the University Board has not issued any notices of non-compliance relating to the University Board's master plan or the Aesthetic Standards (as defined in Article VI (E) of the Sublease); (ii) to the actual knowledge of the person executing this Estoppel Certificate and Agreement on behalf of the University Board and without investigation, the Hotel, as existing and completed as of the date of this Estoppel Certificate and Agreement, is in compliance and conformity with the University Board's master plan and the Aesthetic Standards, and all construction covenants contained in Article IV of the Sublease have been satisfied.

(g) Rent and other charges that Seller is obligated to pay to the University Board are fully set forth in the Sublease and the rent under the Sublease is \$40,000.00 annually and \$3,333.33 monthly. Seller is current with respect to, and is paying the full rent and other charges stipulated in the Sublease (including, without limitation, maintenance and special assessments) with no offsets, deductions, defenses or claims; and Seller has not prepaid any rent or other amounts to the University Board other than rent and other charges due and payable in the calendar month of this certification.

(h) The University Board specifically approves and consents to the Purchaser's acquisition of the Hotel Leasehold and the Seller's interest in the Land and the Hotel pursuant to the Purchase and Sale Agreement dated November 16, 2015 (as the same has been or may be amended from time to time) by and between Seller and Arden Group Acquisition Co., L.L.C., a Delaware limited liability company, as assigned to Purchaser, as well as Purchaser's financing of the acquisition of the Hotel Leasehold, the Land and Hotel and encumbrance of its interest in the Hotel Leasehold, the Land and Hotel with mortgage financing.

(i) Any Lender which provides the University Board notice of its interest encumbering the Hotel Leasehold (including, without limitation, any Lender providing acquisition financing to the Purchaser) shall be entitled to the protections provided to mortgagees under the Sublease, including, without limitation, the protections set forth in Article XIII of the Sublease. The University Board agrees to simultaneously provide copies of all notices given to or received from Purchaser to Lender at such address as may be provided in writing to the University Board from time to time.

(j) Lender, its successors, assignees, nominees, or any purchaser at a foreclosure sale (each a "**Foreclosure Purchaser**") shall have the unrestricted right to acquire

Purchaser's interest under the Sublease by foreclosure, assignment or transfer in lieu of foreclosure or otherwise, and such acquisition shall not require the University Board's consent or be deemed a default under the Sublease. Upon the University Board's receipt from the Foreclosure Purchaser of written notice of such an acquisition sent to the University Board as provided in the Sublease (or to any other address given by the University Board in writing to Lender), the University Board shall permit the Foreclosure Purchaser to enter into possession of the Hotel Leasehold and to hold the same and exercise and enjoy all of the rights, privileges and benefits of the lessee under the Sublease, and such acquisition shall constitute an assumption by the Foreclosure Purchaser of the lessee's obligations under the Sublease, provided, however, that the Foreclosure Purchaser shall not be liable for the lessee's obligations under the Sublease until it shall become the owner of the Hotel Leasehold, either by foreclosure or assignment in lieu thereof or otherwise, and then only during the period of time the Foreclosure Purchaser is the owner of said Hotel Leasehold; provided, however, that, as a condition to the right of the Foreclosure Purchaser to acquire Purchaser's leasehold estate as aforesaid, such Foreclosure Purchaser shall promptly upon acquiring the leasehold estate, cure all of the defaults of the lessee under the Sublease, whether monetary or non-monetary, which are outstanding as of the date of such acquisition of the leasehold estate and which are susceptible of being cured by the Foreclosure Purchaser, except as provided to the contrary in Article XIII of the Sublease.

(k) The University Board acknowledges that the current name of the Hotel is the "Hilton University of Florida Conference Center, Gainesville" and that, notwithstanding anything in the Sublease to the contrary, including, but not limited to Article V, Section A which requires the sublessee under the Sublease to use the name "University of Florida Hotel and Conference Center, a Doubletree Hotel", such current name does not violate any terms or provisions of the Sublease and the University Board consents to the use of such current name at and in connection with the Hotel by Purchaser.

(l) The University Board hereby approves and consents to the Purchaser's appointment of Merritt Hospitality LLC as Manager of the Hotel and approves and agrees that the Purchaser shall have the right at any time and from time to time, without the need for any further consent or approval from the University Board but with at least ten (10) days prior written notice to the University Board, to replace Merritt Hospitality LLC with another hotel manager which then manages ten (10) or more full service hotels.

(m) The University Board acknowledges that Seller has no option or right to purchase all or any part of the Land or to terminate the Sublease.

(n) The initial term of the Sublease commenced on April 1, 1998, and continues for a period of seventy-five (75) years to and until 11:59 p.m. prevailing local time for Gainesville, Florida on March 31, 2073; unless sooner terminated in accordance with the terms of the Sublease. Seller has no option to renew or extend the term of the Sublease.

(o) The University Board represents that the undersigned representative of the University Board is duly authorized and fully qualified to execute this Estoppel Certificate and Agreement on behalf of the University Board thereby binding the University Board to the representations and agreements made herein by the University Board.

(p) There are no mortgages upon the Land or the interest of any of them therein, and the Prime Lease and Sublease shall be superior to any future mortgages or other encumbrances hereafter placed on the leasehold interest of the University Board in the Land.

(q) If at any time Seller, Purchaser or any assignee of the Hotel Leasehold acquires the University Board's interest in the Land, it is the express intent of the parties that no merger shall occur without the prior written consent of any Lender encumbering the Hotel Leasehold.

(r) Purchaser may delegate irrevocably to Lender the non-exclusive authority to exercise any or all of Purchaser's rights under the Sublease and the University Board shall incur no liability to Purchaser nor any party claiming by, through or under Purchaser in regard to Lender's exercise of rights.

The University Board acknowledges and agrees that Seller, Purchaser, any Lender, any Manager and any Franchisor shall be entitled to rely on the University Board's certifications and agreements set forth herein.

**(The remainder of this page has been left blank intentionally.
Please see next page for all signatures)**

WITNESSES:

Print Name: _____

Print Name: _____

UNIVERSITY BOARD:

UNIVERSITY OF FLORIDA
BOARD OF TRUSTEES

By: _____

Print
Name: _____

Title: _____

Date: _____

REVIEWED

By: _____
Office of the General Counsel
University of Florida

STATE OF FLORIDA

COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by _____ as _____ of the University of Florida Board of Trustees, on behalf of such entity.

(Notary Signature and Seal)

(Print Name of Notary)

Personally known to me () or produced identification ().
Type of Identification Produced: _____

Exhibit A

Legal Description of Land

A PARCEL OF LAND BEING A PART OF LOT 1 OF A SUBDIVISION, IN SECTION 11, TOWNSHIP 10 SOUTH, RANGE 19 EAST, ALACHUA COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHEAST CORNER OF SECTION 11, TOWNSHIP 10 SOUTH, RANGE 19 EAST; THENCE RUN NORTH 00 DEGREES, 46 MINUTES, 55 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 11, A DISTANCE OF 1715.43 FEET; THENCE DEPARTING SAID EAST LINE OF SAID SECTION 11, RUN SOUTH 89 DEGREES, 21 MINUTES, 58 SECONDS WEST, A DISTANCE OF 65.08 FEET TO AN INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF SW 34TH STREET - ALSO KNOWN AS STATE ROAD NO. 121, SAID INTERSECTION ALSO BEING THE SOUTHEAST CORNER OF THAT EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 1449, PAGE 447 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA; THENCE RUN NORTH 00 DEGREES, 46 MINUTES, 55 SECONDS WEST, ALONG SAID WEST RIGHT OF WAY LINE, AND PARALLEL WITH THE EAST LINE OF SAID SECTION 11, A DISTANCE OF 70.00 FEET TO THE NORTHEAST CORNER OF SAID EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 1449, PAGE 447 AND THE POINT OF BEGINNING; THENCE RUN SOUTH 89 DEGREES, 21 MINUTES, 58 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 1449, PAGE 447, A DISTANCE OF 427.94 FEET; THENCE RUN NORTH 84 DEGREES, 39 MINUTES, 28 SECONDS WEST, ALONG SAID NORTHERLY LINE OF EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 1449, PAGE 447, A DISTANCE OF 169.92 FEET TO AN INTERSECTION WITH THE WEST LINE OF LOT 1, OF A SUBDIVISION OF SECTION 11, TOWNSHIP 10 SOUTH, RANGE 19 EAST, THENCE DEPARTING SAID NORTHERLY LINE OF EASEMENT DESCRIBED IN OFFICIAL RECORDS BOOK 1449, PAGE 447, RUN NORTH 00 DEGREES, 47 MINUTES, 15 SECONDS WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE 849.20 FEET; THENCE RUN SOUTH 89 DEGREES, 59 MINUTES, 58 SECONDS EAST, A DISTANCE OF 597.03 FEET TO AN INTERSECTION WITH THE AFOREMENTIONED WEST RIGHT OF WAY LINE OF S.W. 34TH STREET - ALSO KNOWN AS STATE ROAD NO. 121; THENCE RUN SOUTH 00 DEGREES, 46 MINUTES, 55 SECONDS EAST, ALONG SAID WEST RIGHT OF WAY LINE AND PARALLEL WITH THE AFOREMENTIONED EAST LINE OF SECTION 11, A DISTANCE OF 860.28 FEET TO THE POINT OF BEGINNING.