

THE FAU FINANCE CORPORATION

\$ \_\_\_\_\_  
Capital Improvement Revenue Bonds  
(Innovation Village Project),  
Series 2010A

PURCHASE CONTRACT

February [\_\_\_\_], 2010

The FAU Finance Corporation  
c/o Florida Atlantic University  
777 Glades Road  
Boca Raton, Florida 33431-0991

Ladies and Gentlemen:

RBC Capital Markets Corporation (the "Underwriter") offers to enter into this Purchase Contract with The FAU Finance Corporation (the "Issuer"), which, upon acceptance of this offer by the Issuer, will be binding upon the Issuer and the Underwriter. This offer is made subject to written acceptance hereof by the Issuer at or before 11:59 p.m., Eastern time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms not otherwise defined herein shall have such meanings as set forth in the Indenture and the Official Statement (as defined herein).

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of The FAU Finance Corporation Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A (the "Bonds"). The Bonds shall be dated the date of original delivery thereof, and shall be payable in the years and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Appendix A attached hereto. Interest on the Bonds is payable semi-annually on January 1 and July 1 of each year commencing July 1, 2010. The purchase price for the Bonds shall be \$ \_\_\_\_\_ (representing the par amount of the Bonds, **[plus/less]** net original issue **[premium/discount]** of \$ \_\_\_\_\_ and less an Underwriter's discount of \$ \_\_\_\_\_).

The Bonds are being issued to (i) acquire a leasehold interest in an existing facilities site (the "Existing Facilities Site") and the site on which a proposed student housing facility will be constructed, all on the campus of Florida Atlantic University in Boca Raton, Florida, (ii) finance the acquisition, construction and installation of a new housing facility which includes approximately 504,000 square feet and 1,218 beds and related infrastructure (the "Proposed Facilities"), (iii) fund a deposit to the Series 2010A Subaccount of the Debt Service Reserve Fund, (iv) pay capitalized interest on the Bonds, and (v) pay the cost of issuance of the Bonds

and the Issuer's \$ \_\_\_\_\_ Capital Improvement Revenue Bonds (Innovation Village Project), Subordinate Series 2010B (the "Subordinate Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and the laws of the State of Florida (the "State"), particularly Chapter 617, Section 1004.28 and Section 1010.62, Florida Statutes and other applicable provisions of law (collectively, the "Act"), a resolution adopted by the Board of Directors of the Issuer on February \_\_, 2010, as may be amended and supplemented from time to time (the "Resolution"), and the Trust Indenture dated as of March 1, 2010 (the "Trust Indenture", or alternatively, the "Indenture") by and between the Issuer and U.S. Bank National Association (the "Trustee"). The Bonds are limited obligations of the Issuer payable solely from and secured by a pledge of: (i) the System Revenues (as defined in the Indenture) and (ii) moneys on deposit in the funds and accounts established under the Trust Indenture and investment earnings thereon, but excluding moneys on deposit in the 2010 Rebate Account and the Cost of Issuance Fund (collectively, the "Pledged Revenues").

The information required by Section 218.385(2), (3) and (6), Florida Statutes, to be provided to the Issuer by the Underwriter is set forth in Appendix B hereto.

## 2. Delivery of Official Statement and Other Documents.

(a) Prior to the date hereof, the Issuer has provided to the Underwriter for its review the Preliminary Official Statement dated February \_\_, 2010 that the Issuer deemed "final" (as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule")) as of its date (the "Preliminary Official Statement"), except for certain permitted omissions (the "Permitted Omissions"), as contemplated by the Rule in connection with the pricing of the Bonds. The Underwriter has reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract in accordance with and as part of its responsibilities to investors under the federal securities laws as applicable to the facts and circumstances of this transaction, but does not guaranty the accuracy or completeness of such information. The Issuer hereby confirms that the Preliminary Official Statement was deemed "final" (as defined in the Rule) as of its date, except for the Permitted Omissions.

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or within such shorter period as may be requested by the Underwriter, and at least three (3) business days prior to the date the Bonds are delivered to the Underwriter, or within such other period as may be prescribed by the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer (i) sufficient copies of the final Official Statement (the "Official Statement") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriter, and (ii) an executed original counterpart or certified copy of the Official Statement and the Indenture. In determining whether the number of copies to be delivered by the Issuer is reasonably necessary, at a minimum the number shall be sufficient to enable the Underwriter to comply with the requirements of Rule 15c2-12, and all applicable rules of the MSRB and to fulfill its duties and responsibilities under Florida and federal securities laws generally. The Issuer shall have no responsibility for determining whether the number of Official Statements requested by the Underwriter shall be sufficient to comply with the Rule.

The Underwriter agrees to file the information on the Electronic Municipal Market Access ("EMMA") system of the MSRB (accompanied by a completed Form G-32) as required by MSRB Rule G-32.

The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement.

(c) From the date hereof until the earlier of (i) ninety days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available on EMMA (but in no case less than 25 days following the end of the underwriting period), if any event occurs which makes it necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Issuer, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and the Underwriter will file, or cause to be filed, the same with EMMA and mail such amendment or supplement to each record owner of Bonds) in a form and in a manner reasonably approved by the Underwriter so that the statements in the Official Statement, as so amended or supplemented, will not, in light of the circumstances under which they were made, be misleading. The Issuer will promptly notify the Underwriter of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Bonds are hereinafter included within the term "Official Statement."

3. Representation of the Underwriter as to Authority.

(a) The Underwriter has been duly authorized to execute this Purchase Contract and has been duly authorized to act hereunder on behalf of itself.

(b) The Underwriter represents that the Underwriter, including its employees, officers, directors, executives, partners, shareholders or agents who are active in the management of the entity, has not been charged with and convicted of a public entities crime pursuant to Section 287.133, Florida Statutes.

4. Public Offering. All of the Bonds have been the subject of a *bona fide* offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "Public") pursuant to this Purchase Contract as of the date hereof (the "Sale Date") and on the Sale Date the Underwriter reasonably expected that at least 10% of the principal amount of each such maturity would be initially sold at the respective price for that maturity shown in Appendix A hereto. For purposes of this Purchase Contract, we have assumed that the phrase "bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers" refers only to persons who, to our actual knowledge, have an arrangement with the Issuer or the Underwriter to act in such capacity on behalf of the Issuer or the Underwriter. At the Closing (as hereinafter defined), the

Underwriter shall deliver to the Issuer a certificate, in a form reasonably acceptable to Bond Counsel on behalf of itself, to this effect.

The Issuer hereby authorizes the Underwriter to use the forms, or copies, of the Financing Documents (as defined herein) and the Official Statement and the information contained therein in connection with the public offering and sale of the Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

5. Issuer's Representations, Warranties and Agreements. By its acceptance hereof, the Issuer represents and warrants to and agrees with the Underwriter that, as of the date hereof:

(a) The Issuer is a Florida not-for-profit corporation, duly organized, validly existing and in good standing pursuant to the laws of the State of Florida (the "State").

(b) The Issuer is a "university direct-support organization" as that term is defined in Section 1004.28, Florida Statutes, and the Issuer has not taken any action or failed to take any action which action or failure to act would jeopardize such status.

(c) The Issuer had full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter as described herein; to use the moneys derived from the sale thereof as contemplated in the Preliminary Official Statement and the Official Statement to serve the needs and purposes of the Florida Atlantic University Board of Trustees (the "University"); to pledge the Pledged Revenues; to enter into this Purchase Contract, the Indenture, the Ground Sublease Agreement (the "Ground Sublease Agreement") dated as of March 1, 2010 between the Issuer and the University, the Management Agreement (the "Management Agreement") among the Issuer, B-C Management, LLC, and the University, dated as of March 1, 2010, the Development Agreement (the "Development Agreement") dated as of March 1, 2010 between the Issuer, B-C Development, LLC (the "Developer") and CP IV Acquisition, LLC, and as assigned by CP IV Acquisition, LLC to the Developer, to execute the Continuing Disclosure Undertaking dated as of the date of delivery of the Bonds (or such other date as determined by the Issuer) (the "Continuing Disclosure Undertaking") (collectively, the Continuing Disclosure Undertaking, the Guaranty Agreement, the Indenture, the Ground Sublease Agreement, the Management Agreement, the Development Agreement and this Purchase Contract, the "Financing Documents") and assuming the due authorization and execution by the other parties, the Financing Documents when executed by the Issuer will be duly authorized and delivered and will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency, or other laws or the application by a court of equitable principles generally affecting creditors' rights and except as the enforcement of the Financing Documents may each be limited by federal and state securities laws or public policy considerations; and the Issuer has duly authorized and approved the consummation by it of all other transactions contemplated by the Financing Documents and the Official Statement to have been performed or consummated at or prior to the date of the Closing.

(d) The execution and delivery of the Bonds, the Financing Documents and the compliance with the obligations on the Issuer's part contained in the Financing Documents,

will not conflict with or constitute a material breach of or material default under the Act or any federal or Florida constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, bond resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption, implementation or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Issuer under the terms of any such provision, law, regulation, document or instrument, except as provided or permitted by the Bonds and the Indenture.

(e) The Bonds, when issued, registered and delivered in accordance with the Indenture and sold to the Underwriter as provided herein and in accordance with the provisions of the Indenture, will be valid and legally enforceable obligations of the Issuer in accordance with their terms and the terms of the Indenture except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization or other laws or the application by a court of equitable principals; and the Indenture will provide, for the benefit of the holders from time to time of the Bonds, a legally valid and irrevocable lien upon and pledge of the Pledged Revenues (as defined in the Indenture).

(f) The information contained in the Official Statement (except for the information relating to DTC and its book-entry system of registration and financial and statistical information contained in the Official Statement, as to all of which no view shall be expressed), was as of its date, is as of the date hereof and will be as of the Date of Closing true and correct in all material respects and does not contain and will not contain any untrue statement of a material fact or omit and will not omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) Except as disclosed in the Official Statement, the Issuer has not been in default at any time as to principal or interest with respect to any obligation issued or guaranteed by the Issuer.

(h) Except as described in the Official Statement, there is no action, suit, proceeding or investigation, at law or in equity before or by any court, governmental agency or public board or body, pending or, to the best knowledge of the Issuer, threatened:

(i) Which may affect the existence of the Issuer or the titles of its officers to their respective offices;

(ii) Which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, the collection of the System Revenues or assignment thereof to make payments on the Bonds;

(iii) Which in any way contests or affects the validity or enforceability of the Bonds, the Financing Documents or any of them;

(iv) Which contests in any way the completeness or accuracy of the Official Statement or which contests the powers of the Issuer or any authority or proceedings for

the issuance, sale or delivery of the Bonds, or the execution, delivery or performance of the Financing Documents;

(v) Which contests in any way the completeness or accuracy of the Official Statement or which contests the powers of the Issuer or any authority or proceedings for the issuance, sale or delivery of the Bonds or the Subordinate Bonds, or the due adoption of the Resolution authorizing the issuance of the Bonds or the execution and delivery of the Financing Documents or any of them, or the financing of the Series 2010 Project in accordance with the terms thereof;

nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Financing Documents, or the ability of the Issuer to satisfy its obligations under any of such documents.

(i) The Issuer will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided that the Issuer shall not be obligated to qualify to do business or to take any action that would subject it to jurisdiction or general service of process in any state or jurisdiction where it is not now so subject.

(j) No further consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which shall not have been obtained on or prior to the Date of Closing is required for the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby except that no representation is made as to such actions as may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of any state or jurisdiction of the United States.

(k) As of the Date of Closing, all approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer, of its obligations hereunder and under the Financing Documents and the Bonds, and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, will have been obtained.

(l) The Issuer will apply the proceeds of the Bonds in accordance with the Financing Documents and the Official Statement.

(m) Any certificate relating to the issuance and delivery of the Bonds signed by an authorized member or officer of the Issuer and delivered to the Underwriter or Trustee as of or prior to the Date of Closing shall be deemed a representation and warranty by the Issuer in

connection with this Purchase Contract to the Underwriter or the Trustee, as the case may be, as to the statements made therein.

(n) The Issuer agrees that all representations, warranties and covenants made herein, and in Bonds and agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriter, and that all representations, warranties and covenants made by the Issuer herein and therein and all the Underwriter's rights hereunder and thereunder shall survive the delivery of the Bonds.

6. The Closing. At or prior to 1:00 p.m., Eastern time, on March [\_\_\_], 2010, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Date of Closing" or "Closing"), the Issuer will deliver, or cause to be delivered, to the Underwriter the Bonds, in typed or printed form, duly executed and authenticated, at the offices of the Issuer in Boca Raton, Florida, or at such other place as may be mutually agreed upon, together with the other documents hereinafter mentioned. The Issuer will deliver, or cause to be delivered, to the Underwriter at such time and on such date and place, the closing documents as provided and described in Section 7 of this Purchase Contract. Upon compliance with all the terms and provisions and subject to the conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph 1 hereof, in immediately available funds to the order of the Issuer. The Bonds shall be prepared and delivered as fully registered Bonds, registered in the name of Cede & Co. with one bond for each maturity, unless otherwise agreed to by the Issuer and the Underwriter. The Issuer shall cause CUSIP identification numbers to be printed on the Bonds, but neither the failure to print such number on any Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. The Bonds will be made available to the Underwriter for inspection at least one business day prior to Closing at the offices of the Issuer located at 777 Glades Road, Boca Raton, Florida or such other place mutually agreed upon by the Issuer and the Underwriter. The Closing shall occur at the offices of the Issuer or Bond Counsel or such other place to which the Issuer and the Underwriter shall mutually agree.

7. Closing Conditions. The Underwriter is entering into this Purchase Contract in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at or before the Closing, and upon the performance of the covenants and agreements herein, as of the date hereof and as of the Date of the Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance of the covenants and agreements to be performed hereunder and under such other documents and instruments to be delivered at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the Date of Closing, as if made on the Date of Closing.

(b) At the date of execution hereof, the Indenture, shall have been duly approved by the Issuer and at the date of Closing shall have been duly executed and delivered, shall be in full force and effect, and shall not have been amended, modified or supplemented, except to the extent to which the Underwriter shall have given its prior written consent and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such action as shall be necessary and appropriate, in the opinion of Bryant Miller Olive P.A., Bond Counsel in connection with the transactions contemplated hereby.

(c) At the Closing there will be no pending or threatened litigation or proceeding of any nature seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the pledge of the Pledged Revenues, or in any way contesting or affecting the validity or enforceability of the Bonds, or the Financing Documents or contesting in any way the proceedings of the Issuer taken with respect thereto, or contesting in any way the due existence or powers of the Issuer or the title of any of the officers of the Issuer to their respective offices, and the Underwriter will receive the certificate of the Chairperson of the Issuer to the foregoing effect, or if there is any such pending or threatened litigation or proceeding, an opinion of by the University's Office of General Counsel (the "General Counsel") as the Issuer's counsel, to the effect that any such litigation is without merit.

(d) There shall have been no material adverse change in the financial condition of the Issuer or the University since June 30, 2009 and the Issuer has not incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated in the Official Statement, including, but not limited to the Subordinate Bonds.

(e) Prior to or simultaneously with the execution of this Purchase Contract, the Underwriter shall receive:

(i) A letter or letters from \_\_\_\_\_ (the "Market Consultant"), dated the date hereof and addressed to the Underwriter and the Issuer consenting to (a) the use of the Market Study prepared by the Market Consultant and included in the Official Statement as Appendix A (the "Market Study"), including any forecasts prepared in connection therewith, and its report thereon in the Preliminary Official Statement and the Official Statement, (b) all references to the Market Consultant in the Preliminary Official Statement and the Official Statement and as to the expertise of the Market Consultant in connection with the matters discussed in the Market Study, and (c) all references to, and excerpts from, the Market Study contained in the Preliminary Official Statement and the Official Statement.

(ii) A copy of the Construction Contract by and between Balfour Beatty Construction, LLC (the "Construction Contractor") and the University dated July 21, 2008, as amended on \_\_\_\_\_, as assigned by the University to the Developer by Assignment dated \_\_\_\_\_ for the construction of the Proposed Facilities (the "Construction Contract") with a guaranteed maximum price of \$\_\_\_\_\_.

(iii) A letter or certificate from the Construction Contractor, dated the date hereof and addressed to the Issuer and the Underwriter, consenting to all references to the Construction Contractor in the Preliminary Official Statement and the Official Statement.



(iv) Evidence that the building and grading permits for the construction of the Proposed Facilities have been issued and any other necessary consents, permits, licenses, certifications, orders and approvals (governmental or otherwise) have been obtained or will be obtained.

(v) Evidence satisfactory to the Underwriter that ingress to and egress from the site of the Proposed Facilities (the "Proposed Facilities Site") is and will be available from existing public roads including, without limitation, any easement agreement therefor.

(vi) (1) A perimeter survey of the Proposed Facilities Site, prepared by an independent surveyor or civil engineer licensed in Florida, showing all improvements, easements, rights of way and restrictions affecting the Proposed Facilities Site, (2) a soil test report for the Proposed Facilities Site, (3) a site plan for the Proposed Facilities Site and (4) evidence satisfactory to the Underwriter that the proposed location of the Proposed Facilities Site does not violate any easement, right-of-way, restrictive covenant or building or zoning restriction applicable to the Proposed Facilities Site and that the Proposed Facilities Site is located entirely within the boundaries of the premises description in Exhibit A to the Ground Sublease Agreement.

(vii) A certificate from the Developer dated the date hereof, to the effect that:

(A) the Developer consents to all references to the Developer in the Preliminary Official Statement and the Official Statement;

(B) the statements and information contained in the Preliminary Official Statement (including statistics and financial information furnished by the Developer) under the headings "THE HOUSING SYSTEM," "THE DEVELOPER AND THE DEVELOPMENT AGREEMENT," and "BONDHOLDERS' RISKS" but only to the extent that such statements and information concern the Developer, its affiliates, operations, assets, service areas and facilities, the Development Agreement, the development of, construction of, and facts relating to the Proposed Facilities, governmental approvals relating to the Proposed Facilities and the Proposed Facilities Site to be obtained by or on behalf of the Developer, and the Developer's participation in the transactions contemplated by and described in the Preliminary Official Statement, are true, correct and complete in all material respects; and, with respect to such statements and information, the Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(C) there has not been any material adverse change in the financial or other condition of the Developer or, to the knowledge of the Developer, in the Proposed Facilities from that set forth in or contemplated by the Preliminary Official Statement; and

(D) no event affecting the Developer or, to the knowledge of the Developer, the Proposed Facilities Site or the Proposed Facilities has occurred since the date

of the Preliminary Official Statement that should be disclosed in the Preliminary Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(viii) An indemnity letter from the Developer, dated the date hereof and addressed to the Issuer and the Underwriter, substantially in the form attached hereto as Appendix C.

(ix) A certificate from the University and B-C Management, LLC (collectively, the "Manager"), dated the date hereof, to the effect that:

(A) the Manager consents to all references to the Manager in the Preliminary Official Statement and the Official Statement;

(B) the statements and information contained in the Preliminary Official Statement (including statistics and financial information furnished by the Manager) under the headings "THE HOUSING SYSTEM," "THE MANAGEMENT AGREEMENT AND THE MANAGER," and "CASH FLOW FORECAST," but only to the extent that such statements and information concern the Manager, its affiliates, operations, assets, service areas and facilities, the Management Agreement, the rents to be charged by the Manager on behalf of the Issuer, historical revenues and expenses for the Existing Facilities, governmental approvals relating to the Housing System, the Proposed Facilities Site and the Existing Facilities Site to be obtained by or on behalf of the Manager, and the Manager's participation in the transactions contemplated by and described in the Preliminary Official Statement, are true, correct and complete in all material respects; and, with respect to such statements and information, the Preliminary Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(C) (1) all facts relating to the cash flow forecast found under the heading "CASH FLOW FORECAST" in the Preliminary Official Statement used in formulating the assumptions upon which the Market Study is based, are true, correct and complete in all material respects, (2) the assumptions underlying such cash flow forecast and such Market Study are reasonable, and (3) to the knowledge of the Manager, there are no facts or circumstances, other than those as previously disclosed to the Market Consultant prior to the date of the Market Study, which would adversely affect the forecasts set forth in such cash flow forecast or in the Market Study in any material respect;

(D) there has not been any material adverse change in the financial or other condition of the Manager from that set forth in or contemplated by the Preliminary Official Statement; and

(E) no event affecting the Manager has occurred since the date of the Preliminary Official Statement that should be disclosed in the Preliminary Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(x) An indemnity letter from the Manager, dated the date hereof and addressed to the Issuer and the Underwriter, substantially in the form attached hereto as Appendix D.

(xi) A certificate from the University, dated the date hereof, to the effect that (A) the University consents to all references to the University in the Preliminary Official Statement and the Official Statement, and (B) the statements and information contained in the Preliminary Official Statement (including statistics, enrollment and admissions information furnished by the University) under the headings “THE STATE UNIVERSITY SYSTEM,” “FLORIDA ATLANTIC UNIVERSITY,” and “THE HOUSING SYSTEM,” are true, correct and complete in all material respects; and, with respect to such statements and information, the Preliminary Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(xii) A Phase I environmental assessment (the “Environmental Assessment”) of the Proposed Facilities Site, satisfactory in form and content to the Underwriter.

(xiii) A copy of the audited financial statements of the University and Housing System for the fiscal year ended June 30, 2009.

(f) At the time of the Closing:

(i) The Financing Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(ii) The proceeds of the sale of the Bonds shall be applied or deposited with the Trustee for application as described in the Preliminary Official Statement and the Official Statement.

(iii) The Issuer shall have duly adopted and approved and there shall be in full force and effect the Resolution and such other resolutions, orders and proceedings as, in the opinion of Bond Counsel or of Ballard Spahr LLP, Baltimore, Maryland, counsel to the Underwriter (“Underwriter’s Counsel”), shall be necessary in connection with the transactions contemplated hereby.

(iv) The Financing Documents shall be in substantially the forms approved by the Issuer with only such changes as shall have been approved by the Underwriter and the Issuer.

(g) At or prior to the Closing, the Underwriter shall receive the following:

(i) One certified copy of all proceedings of the Issuer pertaining to the authorization, issuance and sale of the Bonds and the transactions contemplated by the Official Statement, including, without limitation, the Resolution.

(ii) Certified resolutions of the Board of Trustees and the Board of Governors authorizing and approving issuance of the Bonds and the transactions contemplated in the Official Statement.

(iii) A copy of (a) the fully executed Architect's Contract dated \_\_\_\_\_, as amended on \_\_\_\_\_, between PGAL (the "Architect") and the University, as assigned by the University to the Developer by Assignment dated \_\_\_\_\_ for design of the Proposed Facilities (the "Architect's Agreement"), and (b) the plans and specifications for the Proposed Facilities upon which the guaranteed maximum price set forth in the Construction Contract is based.

(iv) A copy of a fully executed Development Agreement.

(v) Two copies of the Preliminary Official Statement and the Official Statement and two executed copies of each of the Financing Documents (together with evidence that a memorandum of the Ground Sublease Agreement has been recorded among the Land Records of Palm Beach County, Florida, or delivered to a title company or other responsible third party for recording among the Land Records of Palm Beach County, Florida, under written instructions acceptable to the Underwriter) and each other agreement or instrument used in the consummation of the transactions contemplated hereby and by the Official Statement.

(vi) Evidence satisfactory to the Underwriter and the Issuer of the filing of financing statements necessary to perfect (to the extent that perfection can be obtained by such filing) a security interest in favor of the Trustee in the Trust Estate.

(vii) Evidence satisfactory to the Underwriter that all of the consents, permits, licenses, accreditations, certifications, orders and other approvals (governmental or otherwise) that are referred to in this Purchase Contract have been obtained and are currently in full force and effect.

(viii) Two executed copies of the Market Study.

(ix) Evidence satisfactory to the Underwriter that the use and location of the Proposed Facilities Site and the Existing Facilities Site is and will be in compliance with all zoning, subdivision and wetlands laws and regulations of all appropriate federal, state and local governmental authority.

(x) Evidence satisfactory to the Underwriter of the issuance of payment and performance bonds issued by a responsible bonding company, with riders naming the Trustee as a dual obligee, in an amount no less than 100% of the aggregate amount of the guaranteed maximum price set forth in the Construction Contract, in form and substance satisfactory to the Underwriter.

(xi) Evidence satisfactory to the Underwriter of the availability of water, sewer, storm drains, gas, electricity, telephone and other utilities to the Proposed Facilities Site and Existing Facilities Site.

(xii) Copies of the preliminary and supplemental "blue sky" memoranda indicating the jurisdictions in which the Bonds may be sold in compliance with the "blue sky" or securities laws of such jurisdictions and the eligibility of the Bonds for investment in such jurisdictions.

(xiii) Evidence of a rating from Moody's Investors Service, Inc. ("Moody's") has issued a "[\_\_\_\_]" rating for the Bonds, that Standard & Poor's Ratings Group, a Division of The McGraw-Hill Corporation ("S&P") has issued a "[\_\_\_\_]" rating for the Bonds and that Fitch, Inc. has issued a "[\_\_\_\_]" rating for the Bonds.

(xiv) Evidence satisfactory to the Underwriter that the Issuer has prepaid to the University the rental fee required under the Ground Sublease Agreement.

(xv) Evidence satisfactory to the Underwriter that the Subordinate Bonds have been issued or that all conditions precedent to the issuance of the Subordinate Bonds have been satisfied.

(h) At the Closing, the Underwriter shall receive each of the following:

(i) An opinion dated the Date of Closing and addressed to the Issuer, of Bryant Miller Olive P.A., Bond Counsel, in substantially the form attached as Appendix D to the Official Statement, relating to the exclusion of the interest on the Bonds from the gross income of the holders thereof for purposes of Federal income taxation, the validity and enforceability of the Indenture and the Bonds.

(ii) (A) A letter from Bond Counsel, dated the Date of Closing and addressed to the Underwriter and the Trustee to the effect that the approving opinion of Bond Counsel referred to in (i) above may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion had been addressed to the Underwriter and the Trustee, and (B) a letter from Bond Counsel, dated the Date of Closing and addressed to the Underwriter's Counsel, to the effect that Underwriter's Counsel may rely upon the approving opinion of Bond Counsel referred to in (i) above as to the validity and tax-exempt status of the Bonds in rendering its opinion to the Underwriter to the effect that the Bonds are exempt from registration under the Securities Act.

(iii) An opinion dated the Date of Closing, of Bond Counsel, addressed to the Underwriter, (a) to the effect that the information contained in the Official Statement under the headings "THE SERIES 2010A BONDS" (except the subheading "Book-Entry-Only System") and "TRUST INDENTURE", and in "Appendix C - Form of Trust Indenture" insofar as such information constitutes summaries of the Indenture and the Bonds, is correct in all material respects and present a fair and accurate summary of the provisions purported to be summarized and the statements contained in the Official Statement under the sections captioned "TAX EXEMPTION" and "Appendix [E] - Form of Bond Counsel Opinion" are true and correct, (b) with respect to the information in the Official Statement and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, no facts have come to Bond Counsel's attention that cause Bond Counsel to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates,

assumptions and expressions of opinion, including the Cash Flow Forecast and the Market Study, and information concerning The Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and its Appendices, which we expressly exclude from the scope of this sentence) contains as of the Date of Closing any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (c) to the effect that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and (d) to the effect that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(iv) An opinion, dated the Date of Closing and addressed to the Underwriter, of General Counsel to the Issuer, to the effect that (i) the Issuer is a Florida not-for-profit corporation, duly created and validly existing and has full legal right, power and authority to enter into the Indenture and to perform its obligations thereunder, and to authorize, execute and deliver and to perform its obligations under the Financing Documents; (ii) the Financing Documents have each been duly authorized, executed and delivered by the Issuer and each constitutes a legal, valid, and binding agreement of the Issuer, enforceable in accordance with their terms except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency or other laws or the application by a court of equitable principles and except further as the enforcement of the Financing Documents may each be limited by federal or state securities laws or public policy considerations; (iii) the use of the Preliminary Official Statement and the Official Statement by the Underwriter for the purpose of offering the Bonds for sale has been duly authorized and ratified by the Issuer; (iv) the Issuer has authorized, executed and delivered the Official Statement, and the Issuer has consented to the use thereof by the Underwriter; (v) the Issuer is not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any judgment or decree applicable to the Issuer, applicable to it and by which it may be obligated, or the Indenture or any loan agreement, indenture, bond, note, resolution, material agreement or other material instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject, applicable to it and by which it may be obligated, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, except in each case as disclosed in the Official Statement; (vi) the authorization, execution and delivery of the Financing Documents and the Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the Issuer was or is subject, as the case may be, nor will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Indenture; (vii) all approvals, consents, authorizations and orders of any governmental authority, board, commission or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Issuer of its obligations under the Financing Documents have been obtained and are in full force and effect; (viii) the Issuer is lawfully empowered to pledge, and grant a prior lien on, the Pledged Revenues for payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable and (ix) with respect to the

information in the Official Statement and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, Counsel has no reason to believe that the Official Statement contains any untrue statement of a material or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information contained in the Official Statement and the information concerning DTC and its book-entry system of registration, as to all of which no opinion need be expressed); (x) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, pending or, to the best of his knowledge, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by the Official Statement or the validity of the Bonds or the Financing Documents, except as described in the Official Statement; and (xi) there are no material legal or governmental proceedings, pending or threatened, against or affecting the Issuer or its property, except as described in the Official Statement.

(v) A certificate, dated the Date of Closing, signed by the Chairperson or other appropriate officials satisfactory to the Underwriter, to the effect that, to the best knowledge of such officials: (i) the representations of the Issuer herein are true and correct in all material respects as of the Date of Closing; (ii) the Issuer has performed all obligations to be performed hereunder as of the Date of Closing; (iii) there is no litigation of which he or she has notice, and to the best of the Chairperson's knowledge no litigation is pending or threatened (A) to restrain or enjoin the issuance or delivery of any of the Bonds, (B) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds or the Financing Documents, (C) in any way contesting the corporate existence or powers of the Issuer, (D) to restrain or enjoin the collection of revenues pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds, (E) which may result in any material adverse change in the business, properties, assets and the financial condition of the Issuer taken as a whole, (F) asserting that the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (G) to subject any income (except for taxation of unrelated business income under the Code) of the Issuer to federal income taxation, (iv) no material adverse change has occurred in the financial position or results of operations of the Issuer except as set forth in or contemplated by the Official Statement; (v) the Issuer has not incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (vi) the Chairperson has no reason to believe that information contained in the Official Statement did not as of its date, and does not as of the Date of Closing contain any untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

(vi) An opinion of Underwriter's Counsel dated the date of the Closing and addressed to the Underwriter, substantially in the form attached hereto as Appendix E and made a part hereof.

(vii) A certificate of an authorized representative of U.S. Bank National Association as Trustee, Paying Agent and Registrar (the "Trustee") to the effect that (A) the

Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Trustee has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Indenture, (C) the Indenture constitutes the legal, valid and binding obligations of the Trustee enforceable in accordance with their terms except as the enforcement thereof may be affected by bankruptcy, insolvency, or other laws of the application by a court of equitable principles generally affecting creditors' rights and except as the Indenture may be limited by federal state securities laws or public policy considerations, (D) the performance by the Trustee of its functions under the Indenture will not result in any violation of the Articles of Association or Bylaws of the Trustee, any court order to which the Trustee is subject or any agreement, indenture or other obligation or instrument to which the Trustee is a party or by which the Trustee is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Trustee is required to be obtained by the Trustee in order to perform its functions under the Indenture, (E) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Trustee wherein an unfavorable decision, ruling or finding on any issue raised by any party thereto is likely to materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture and (F) the Bonds have been authenticated and the Indenture has been executed and delivered by authorized officers of the Trustee.

(viii) An opinion of counsel of the Trustee, dated the Date of Closing and addressed to the Underwriter and Bond Counsel to the effect that (i) the Trustee is a national banking association having the authority to exercise corporate trust powers in the State of Florida and is duly organized, validly existing and in good standing under the laws of the United States of America; (ii) the Trustee has full corporate power and authority to execute and deliver the Indenture and to perform its obligations thereunder; (iii) the execution and delivery by the Trustee of the Indenture has been duly authorized and shall constitute a valid and binding obligation of the Trustee enforceable against it under the laws of Florida; and (iv) the Indenture constitutes an effective contract under applicable law, is not invalid in its entirety because of a specific or statutory or public policy, is not subject to its entirety to a contractual defense and may be limited or otherwise affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statutes, rules, regulations or other laws affecting the enforcement of creditor's rights and remedies generally.

(ix) A certificate, dated the date of the Closing, of a duly authorized officer of the Manager, acceptable to the Underwriter, to the effect that, as of the date of the Closing:

(A) the statements and information contained in the Official Statement (including statistics and financial information furnished by the Manager) under the headings "THE HOUSING SYSTEM," "THE MANAGEMENT AGREEMENT AND THE MANAGER," and "CASH FLOW FORECAST," but only to the extent that such statements and information concern the Manager, its affiliates, operations, assets, service areas and facilities, the Management Agreement, the rents to be charged by the Manager on behalf of the Issuer, historical revenues and expenses for the Existing Facilities, governmental approvals relating to



the Housing System, the Proposed Facilities Site and the Existing Facilities Site to be obtained by or on behalf of the Manager, and the Manager's participation in the transactions contemplated by and described in the Official Statement, are true, correct and complete in all material respects; and, with respect to such statements and information, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(B) (1) all facts relating to the cash flow forecast found under the heading "CASH FLOW FORECAST" in the Official Statement used in formulating the assumptions upon which the Market Study is based, are true, correct and complete in all material respects, (2) the assumptions underlying such cash flow forecast and such Market Study are reasonable, and (3) to the knowledge of the Manager, there are no facts or circumstances, other than those as previously disclosed to the Market Consultant prior to the date of the Market Study, which would adversely affect the forecasts set forth in such cash flow forecast or in the Market Study in any material respect;

(C) there has not been any material adverse change in the financial or other condition of the Manager from that set forth in or contemplated by the Official Statement; and

(D) no event affecting the Manager has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(x) A certificate, dated the date of the Closing, of a duly authorized officer of the Developer, acceptable to the Issuer and the Underwriter, to the effect that, as of the date of the Closing:

(A) the statements and information contained in the Official Statement (including statistics and financial information furnished by the Developer) under the headings "THE HOUSING SYSTEM," "THE DEVELOPER AND THE DEVELOPMENT AGREEMENT," and "BONDHOLDERS' RISKS," but only to the extent that such statements and information concern the Developer, its affiliates, operations, assets, service areas and facilities, the Development Agreement, the development of, construction of, or facts relating to the Proposed Facilities, governmental approvals relating to the Proposed Facilities and the Proposed Facilities Site to be obtained by or on behalf of the Developer, and the Developer's participation in the transactions contemplated by and described in the Official Statement, are true, correct and complete in all material respects; and, with respect to such statements and information, the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(B) there has not been any material adverse change in the financial or other condition of the Developer or, to the knowledge of the Developer, in the Proposed Facilities from that set forth in or contemplated by the Official Statement; and

(C) no event affecting the Developer or, to the knowledge of the Developer, the Proposed Facilities Site or the Proposed Facilities has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(xi) A certificate from the University, dated the date hereof, to the effect that the statements and information contained in the Official Statement (including statistics, enrollment and admissions information furnished by the University) under the headings "THE STATE UNIVERSITY SYSTEM," "FLORIDA ATLANTIC UNIVERSITY," and "THE HOUSING SYSTEM," are true, correct and complete in all material respects; and, with respect to such statements and information, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(xii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Date of Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the Date of Closing of all the agreements then to be performed and conditions then to be satisfied by it.

(xiii) A certificate from the Issuer addressed to the Trustee and the Underwriter to the effect that at the time of the Closing the Issuer will be in compliance with all of the insurance requirements of the Indenture and the Ground Sublease Agreement.

(xiv) Executed copies of (A) the Issuer's Tax Certificate and Compliance Agreement, (B) any other certifications as to arbitrage and other matters relative to the exclusion from gross income of the interest payable on the Bonds under the Code and (C) Internal Revenue Service Form 8038G.

(xv) Original counterparts of all legal opinions delivered to the Issuer or the Trustee by Bond Counsel or by counsel to the Issuer, the Trustee, or any other person involved in the transactions contemplated by this Purchase Contract, which opinions shall also be addressed to the Underwriter.

All of the evidence, opinions, letters, certificates, instruments and other documents, mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and the Issuer and they shall be deemed satisfactory to the Underwriter and the Issuer if not objected to prior to closing.

If the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract are not satisfied, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall

terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Paragraph 9 hereof shall continue in full force and effect.

8. Termination. The Underwriter may terminate this Purchase Contract, without liability therefor, by notification to the Issuer, if at any time subsequent to the date of this Purchase Contract at or prior to the Closing:

(a) Legislation shall be enacted by the Congress of the United States, or a bill introduced (by amendment or otherwise) or favorably reported or passed by either the House of Representatives or the Senate of the Congress of the United States or any committee of the House or Senate, or a conference committee of such House and Senate makes a report (or takes any other action), or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of changing directly or indirectly the federal income tax consequences of interest on the Bonds in the hands of the holders thereof (including imposition of a not previously existing minimum federal tax which includes tax-exempt interest in the calculation of such tax), which materially adversely affects the market price or the marketability of the Bonds.

(b) Any legislation, rule or regulation shall be introduced in, or be enacted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by them.

(c) Any amendment to the Official Statement is proposed by the Issuer or deemed necessary by Bond Counsel pursuant to Section 2(c) hereof which materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter, in the reasonable opinion of the Underwriter, of the Bonds to be purchased by the Underwriter.

(d) There shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, including a general suspension of trading on any national securities exchange which (i) materially adversely affects the market for the Bonds or the sale of the Bonds, at the contemplated offering prices, by the Underwriter, in the reasonable opinion of the Underwriter, or (ii) causes a material disruption in the municipal bond market and as, in the reasonable opinion of the Underwriter, would make it impracticable for it to market the Bonds or to enforce contracts for the sale of the Bonds.

(e) Legislation shall be enacted or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing or requiring the Indenture to be qualified under the Trust

Indenture Act of 1939, as amended and compliance therewith cannot be accomplished prior to the Closing.

(f) A general banking moratorium shall have been declared by the United States, New York or Florida authorities which materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by them.

(g) There shall have occurred any material change, or any other event which in the Underwriter's reasonable opinion subsequent to consultation with appropriate representatives of the Issuer, materially adversely affects the marketability of the Bonds at the purchase price set forth in Section 1 hereof.

(h) General suspension of trading on the New York Stock Exchange or other national securities exchange, or any national securities exchange, or any governmental authority or by any national securities exchange, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force.

(i) Any rating of the Bonds shall have been downgraded or withdrawn by a national rating service, which in the reasonable judgment of the Underwriter materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by them; or any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Issuer.

(j) The President of the United States, the office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State of Florida shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect.

(k) Any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of Florida or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Florida or the State of New York shall be rendered which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds or causes any information in the Official Statement to be misleading in any material respect; or

(l) Any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in

the light of the circumstances under which they were made, not misleading as of such time which would materially adversely affect the marketability of the Bonds.

9. Expenses.

(a) If the Bonds are sold by the Issuer to the Underwriter (unless such sale be prevented at Closing by the Underwriter's default), the Issuer shall be obligated to pay the following expenses: (i) the cost of preparing and printing or other reproduction of the Indenture, the Bonds, the Preliminary Official Statement and the Official Statement; (ii) the fees and expenses incurred by Bryant Miller Olive P.A. in its capacity as Bond Counsel; (iii) the fees and expenses incurred by Underwriter's Counsel, (iv) the fees and expenses of the rating agencies; (v) the fees and expenses of the Trustee; and (vi) other similar costs, charges and fees in connection with the foregoing.

(b) Whether or not the Bonds are sold by the Issuer to the Underwriter (unless such sale be prevented at Closing by the Issuer's default), the Underwriter shall be obligated to pay its own expenses, and shall be permitted to pay such expenses from its discount.

10. Notices. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the address set forth above and any notice or other communications to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to RBC Capital Markets Corporation, 400 East Pratt Street, Suite 720, Baltimore, Maryland 21202.

11. Parties in Interest.

(a) This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Issuer contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; or (iii) any termination of this Purchase Contract, but only to the extent provided by Section 13 and the last paragraph of Section 7 hereof.

(b) No covenant, stipulation, obligation or agreement contained in this Purchase Contract shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Issuer in his or her individual capacity and neither the members of the Issuer nor any official executing this Purchase Contract shall be liable personally under this Purchase Contract or be subject to any personal liability or accountability by reason of the execution hereof.

12. No Liability. Neither the Chairperson of the Issuer nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriter with any liability, or held liable to the Underwriter under any term or provision of this Purchase Contract because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

13. Indemnification.

(a) To the full extent permitted by applicable law, the Issuer will indemnify and hold harmless, the Underwriter, and each member, officer, director, official or employee of the Underwriter, and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (each an "Indemnified Party" and collectively "Indemnified Parties"), against any and all losses, claims, damages, expenses, actions or liabilities, joint or several, to which any of the Indemnified Parties may become subject under any statute or regulation or at common law or otherwise and except as hereinafter provided, will reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by them or any of them in connection with investigating or defending any such losses, claims, damages, expenses or actions asserting liability, whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, actions or liabilities arise out of or are based upon any untrue statement or misleading or alleged untrue statement or alleged misleading statement of a material fact contained in the Official Statement (with respect to Underwriter's Indemnified Parties, only with respect to written information furnished by the Issuer for the Official Statement) or any omission or alleged omission from the Official Statement (with respect to Underwriter's Indemnification Parties, only with respect to written information furnished by the Issuer for the Official Statement) of a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading, unless, as to such Indemnified Party, such untrue statement or misleading statement or alleged untrue statement or alleged misleading statement arises from information provided by such Indemnified Party.

(b) Promptly after receipt by an Indemnified Party of notice of the commencement of any action in respect of which indemnification may be sought pursuant to subsection (a) of this Section 13, the Indemnified Party in respect of which indemnification is sought will promptly notify the Issuer in writing. In case such action is brought against any Indemnified Party, and it notifies the Issuer of the commencement thereof, the Issuer will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Indemnified Party), and the Issuer will assume the payment of all fees and expenses relating to such investigation and defense and will have the right, after consultation with the applicable Indemnified Party, to negotiate and consent to settlement thereof. Any one or more of the Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Issuer to such Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Issuer has been specifically authorized in writing by the Issuer or (ii) the Issuer has not employed counsel reasonably acceptable to the Indemnified Party to have charge of the defense of such action within a reasonable time after receipt of a request by the Indemnified Party to assume the defense of the action or (iii) counsel for such Indemnified Party or Parties has reasonably concluded that there may be material defenses available to it or them which are different from or additional to those available to the Issuer and other Indemnified Parties (in which case, the Issuer will not have the right to direct the defense of such action on behalf of such Indemnified Party and the fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii) or (iii) above will be

borne by the Issuer). The Issuer will not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Issuer or if there is a final judgment for the plaintiff in any such action as to which the Issuer has received notice in writing as herein above required, the Issuer agrees to indemnify and hold harmless the Indemnified Party from and against any loss of liability by reason of such settlement or judgment.

(c) The indemnity provided by this Section 13 will be in addition to any other liability that the Issuer may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Indemnified Parties and their respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Purchase Contract. No purchaser of the Bonds from the Underwriter will be deemed a successor to the Underwriter by reason of such purchase.

(d) The indemnity agreements contained in this Section 13 will remain operative and in force and effect, regardless of any investigation made by or on behalf of the Issuer or the Underwriter or the delivery of and the payment for any Bonds hereunder; and will survive the termination or cancellation of this Purchase Contract.

14. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof on behalf of the Issuer by the Chairperson, all in accordance with the requirements set forth in the Indenture and the Act, and shall be valid and enforceable at the time of such acceptance.

15. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

16. Florida Law Governs. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Florida.

17. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in its sole discretion, and the approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Underwriter and delivered to you.

18. Entire Agreement. This Purchase Contract when accepted by the Issuer in writing as heretofore specified shall constitute the entire agreement between us.

19. Headings. The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be part hereof.

Very truly yours,

RBC CAPITAL MARKETS CORPORATION

By: \_\_\_\_\_  
Name: Michael R. Baird  
Title: Director



*(Signature page for The FAU Finance Corporation, Capital Improvement Revenue Bonds  
(Innovation Village Project), Series 2010A)*

THE FAU FINANCE CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson

APPENDIX A  
Description of Bonds

Maturities, Principal Amounts, Interest Rate and Prices or Yields.

Redemption Provisions

APPENDIX B

**THE FAU FINANCE CORPORATION**  
**\$ \_\_\_\_\_**  
**Capital Improvement Revenue Bonds**  
**(Innovation Village Project),**  
**Series 2010A**

**DISCLOSURE STATEMENT**

\_\_\_\_\_, 2010

The FAU Finance Corporation  
c/o Florida Atlantic University  
777 Glades Road  
Boca Raton, Florida 33431-0991

Ladies and Gentlemen:

In connection with the proposed issuance by The FAU Finance Corporation (the "Issuer") of the issue of bonds referred to above (the "Bonds"), and RBC Capital Markets Corporation (the "Underwriter"), has agreed to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will include a Purchase Contract between the Issuer and the Underwriter.

The purpose of this letter is to furnish, pursuant to the provisions of Sections 218.385, Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Bonds as follows. To the extent that the Underwriter provides the Issuer and bond counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to Bonds, these computations are provided for informational purposes and are based on our understanding of directions that we have received from bond counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by bond counsel.

- (a) The total discount to be paid to the Underwriter is \$\_\_\_\_\_
- (b) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the issuance of the Bonds is \$\_\_\_\_\_, as set forth on Schedule I attached hereto.
- (c) There are no "finders," as that term is defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.
- (d) No fee, bonus or other compensation is to be paid by the Underwriter in connection with the issuance of the Bonds to any person not regularly employed or retained by it

except as specifically enumerated as expenses to be incurred by the Underwriter, as set forth on Schedule I.

(e) The name and address of the Underwriter is set forth below:

RBC Capital Markets Corporation  
400 East Pratt Street, Suite 720  
Baltimore, Maryland 21202

The Issuer is proposing to issue \$\_\_\_\_\_ of its Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A (the "Bonds") for the purpose of providing funds to (i) acquire a leasehold interest in an existing facilities site and the site on which a proposed student housing facility will be constructed, all on the campus of Florida Atlantic University in Boca Raton, Florida, (ii) finance the acquisition, construction and installation of a new housing facility which includes approximately 504,000 square feet and 1,218 beds and related infrastructure, (iii) funding a deposit to the Series 2010A Subaccount of the Debt Service Reserve Fund, (iv) pay capitalized interest on the Bonds, and (v) pay cost of issuance of the Bonds and the Issuer's \$\_\_\_\_\_ Capital Improvement Revenue Bonds (Innovation Village Project), Subordinate Series 2010B.

(f) The Bonds are expected to be repaid over a period of approximately \_\_\_\_\_ years (from the date of Closing). At an assumed true interest cost rate of \_\_\_\_\_%, total interest paid over the life of the Bonds will be \$\_\_\_\_\_.

(g) The source of security for the Bonds will be (i) the System Revenues (as defined in the Indenture of Trust dated as of March 1, 2010 (the "Trust Indenture") between the Issuer and U.S. Bank National Association and (ii) moneys on deposit in certain funds and accounts established under the Trust Indenture and investment earnings thereon, as set forth in the Trust Indenture. Based on the assumed true interest cost rate described above, authorizing the Bonds will result in a maximum of \$\_\_\_\_\_ of System Revenues not being available to finance the other services of the Issuer each year for approximately \_\_\_\_\_ years.

[Remainder of page intentionally left blank]

We understand that you do not require any further disclosure from the Underwriter, pursuant to Sections 218.385, Florida Statutes.

Very truly yours,

RBC CAPITAL MARKETS CORPORATION

By: \_\_\_\_\_

Name: Michael R. Baird

Title: Director

**SCHEDULE I**

**ESTIMATED EXPENSES OF THE UNDERWRITER**

	<u>Per \$1,000 Bond</u>	<u>Dollar Amount</u>
BMA Fee		
DALCOMP Fee		
CUSIP Fee		
DTC Fee		
Travel and Out of Pocket Expenses		
Interest on Day Loan		
Total Expenses*		

\* May not add due to rounding.

APPENDIX C  
DEVELOPER INDEMNITY LETTER

APPENDIX D  
MANAGER INDEMNITY LETTER



APPENDIX E

FORM OF OPINION OF COUNSEL TO THE UNDERWRITER

[LETTERHEAD OF BALLARD SPAHR LLP]

(Closing Date)

RBC Capital Markets Corporation  
Baltimore, Maryland

**Re: \$\_\_\_\_\_ The FAU Finance Corporation Capital Improvement Revenue Bonds (Innovation Village Project), Series 2010A**

We have acted as your counsel in connection with your purchase of the referenced bonds (the "Bonds") pursuant to a Purchase Contract dated February \_\_, 2010 (the "Agreement") between The FAU Finance Corporation and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.

We are of the opinion under existing law that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and that the Trust Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that cause us to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, including the Cash Flow Forecast and the Market Study, and information concerning The Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and its Appendices, which we expressly exclude from the scope of this sentence) contains as of the date hereof any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts

or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur.

Very truly yours,